

Global Market Selection

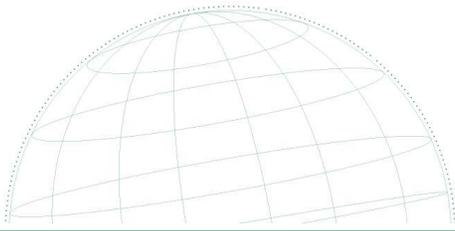
**Making the choices that
are right for your
Company**



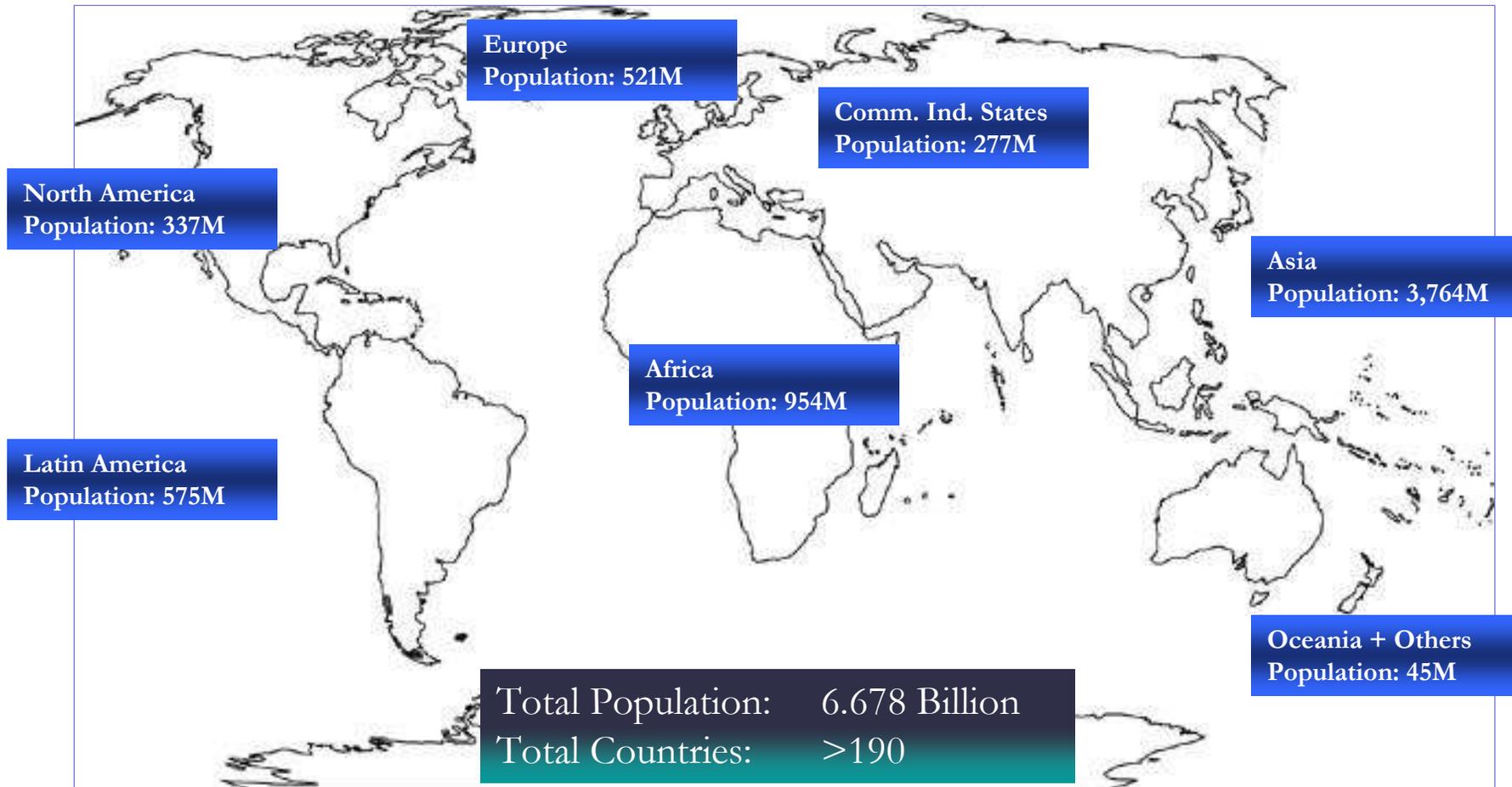
NORTHEAST OHIO
Trade & Economic Consortium

John Senese

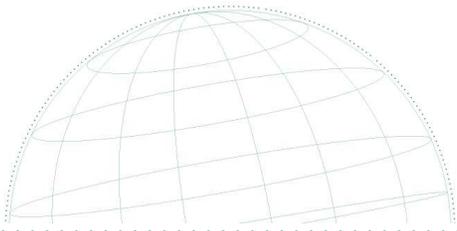
**Global Reach 2008
Cleveland State University
May 27, 2008**



World Population

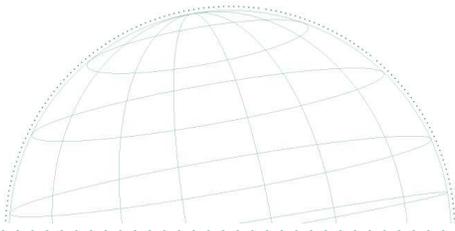


Sources: CIA World Factbook, and other public domain resources (February 2006)



Market Entry Decisions

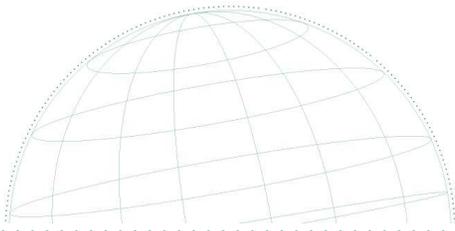




Real GDP Growth Projections

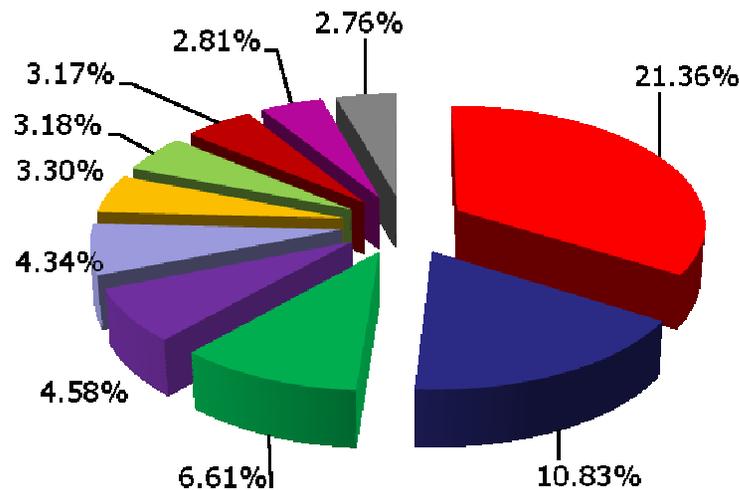
Region	2006	2007	FCST 2008	FCST 2009
European Union	2.8%	2.6%	1.4%	1.2%
Emerging Asia (includes China and India)	8.9%	9.1%	7.5%	7.8%
South America and Mexico	5.3%	5.6%	4.3%	3.6%
Central America	6.3%	6.5%	4.7%	4.6%
Emerging Europe (Excl. Russia and Turkey)	6.6%	6.2%	4.7%	4.3%
Commonwealth of Independent States (includes Russia)	8.2%	8.5%	7.0%	6.5%
Africa	5.9%	6.2%	6.3%	6.4%
Middle East	5.8%	5.8%	6.1%	6.1%
United States	2.9%	2.2%	0.5%	0.6%

Source: World Economic Outlook, April 2008



Purchasing Power Parity

Global Share of GDP, 2007

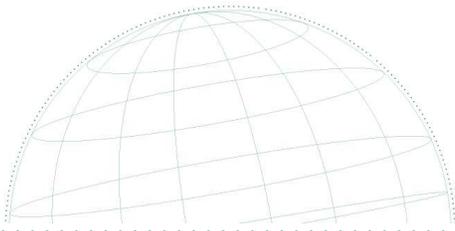


Source: IMF WEO, April 2008



“Amount of particular currency needed to buy the same basket of goods as one unit of reference”

- More meaningful way to compare GDPs
 - Adjusts for differences in price levels among countries
 - Alternative way of calculating exchange rates
- Big Mac Index

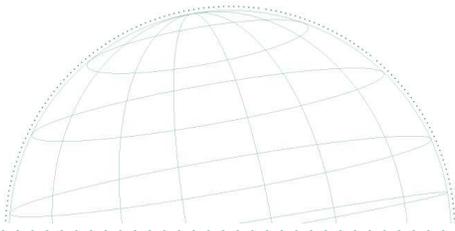


Ten Year GDP Growth Per Capita

Purchasing Power Parity Per Capita GDP Growth

Region	Change '97 -'02	Change '02 -'07
Africa	15%	26%
Central and Eastern Europe	17%	34%
Commonwealth of Independent States & Mongolia	27%	40%
Developing Asia	26%	40%
Emerging and developing economies	19%	34%
Euro area	17%	18%
Latin America	8%	25%
Middle East	14%	27%
United States	16%	21%

Source: IMF World Economic Outlook, April 2008

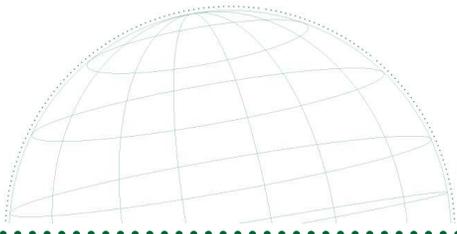


PPP GDP Per Capita

Annual % Change (Current International Dollar)

Country	Region	2003	2004	2005	2006	2007	2008	2009	Estimate After
South Africa	Africa	4.07%	6.07%	7.08%	6.85%	6.65%	4.62%	4.52%	2007
China	Asia	%	%	%	%	%	8.84%	8.87%	2006
India	Asia	5.84%	5.86%	5.86%	%	5.83%	7.86%	7.76%	2005
Japan	Asia	3.27%	3.18%	3.32%	3.38%	4.88%	3.38%	3.28%	2005
Vietnam	Asia	7.44%	8.62%	8.90%	9.12%	8.97%	7.36%	7.19%	2005
Poland	Eastern Europe	5.79%	7.58%	8.42%	8.82%	8.75%	8.78%	8.15%	2006
Russia	Eastern Europe	8.87%	9.80%	9.20%	%	%	8.88%	8.85%	2006
Turkey	Europe	5.50%	%	%	9.00%	6.16%	4.61%	4.75%	2007
United Kingdom	Europe	4.35%	5.61%	4.38%	5.31%	5.08%	3.25%	3.14%	2006
Brazil	Latin America	1.77%	6.48%	4.32%	5.26%	6.34%	5.16%	4.00%	2005
Mexico	Latin America	2.44%	5.57%	4.61%	6.50%	4.67%	2.79%	2.89%	2006
Israel	Middle East	2.50%	5.80%	6.55%	6.27%	5.45%	2.72%	2.93%	2006
United Arab Emirates	Middle East	7.21%	4.73%	5.49%	8.73%	3.78%	2.14%	2.94%	2006
Canada	North America	2.84%	4.83%	5.81%	4.88%	4.18%	1.84%	2.32%	2007
Australia	South Pacific	3.77%	4.56%	4.09%	4.30%	5.19%	3.83%	3.50%	2006
United States		3.57%	5.34%	5.14%	4.87%	3.77%	1.49%	1.35%	2007

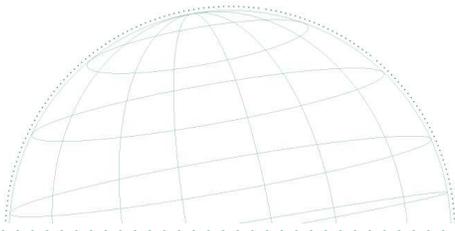
Source: IMF, World Economic Outlook Database, April 2008



What is driving the Improvement?

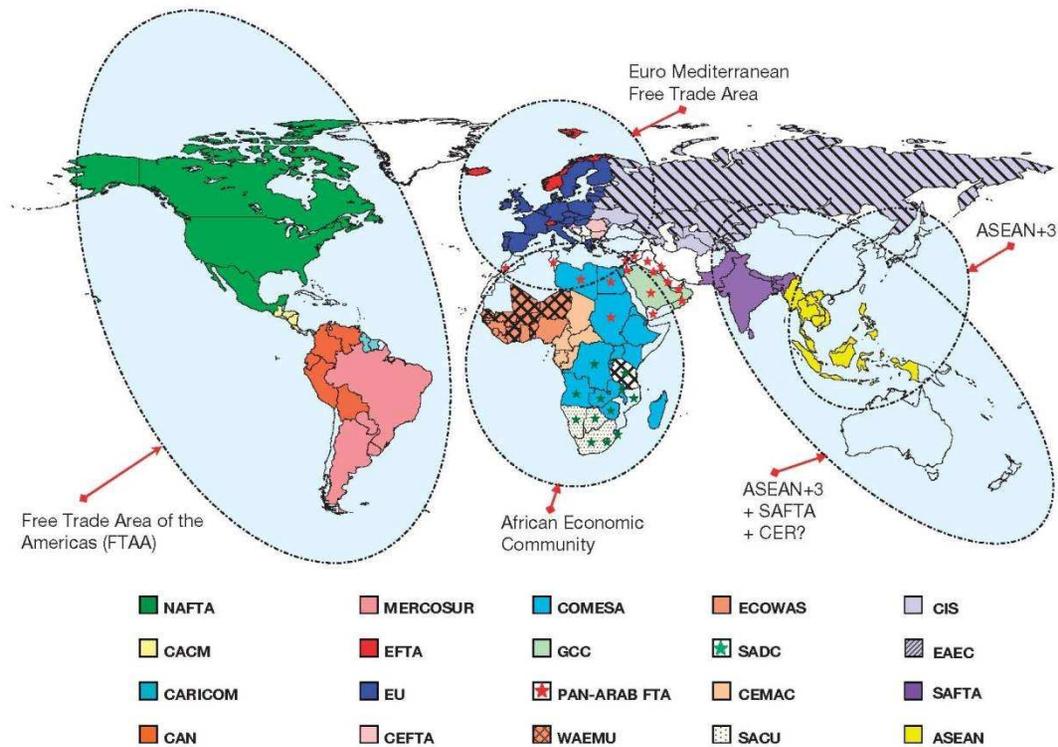
- ❑ Market Reforms & “Decoupling” from Advanced economies
 - ❑ Eastern & Central Europe
 - ❑ Lower Tax evasion and Prevalence of Informal Economy
 - ❑ Asia
 - ❑ Trade among Asian countries
 - ❑ Africa
 - ❑ Increased flexibility for hiring and firing employees and starting businesses
 - ❑ Latin America
 - ❑ Consistent fiscal policies bringing interest rates down and confidence levels up
 - ❑ FTAs: NAFTA, European Union, MERCOSUR, ASEAN

Free Trade Agreements Increasing Ability of Economies to Expand



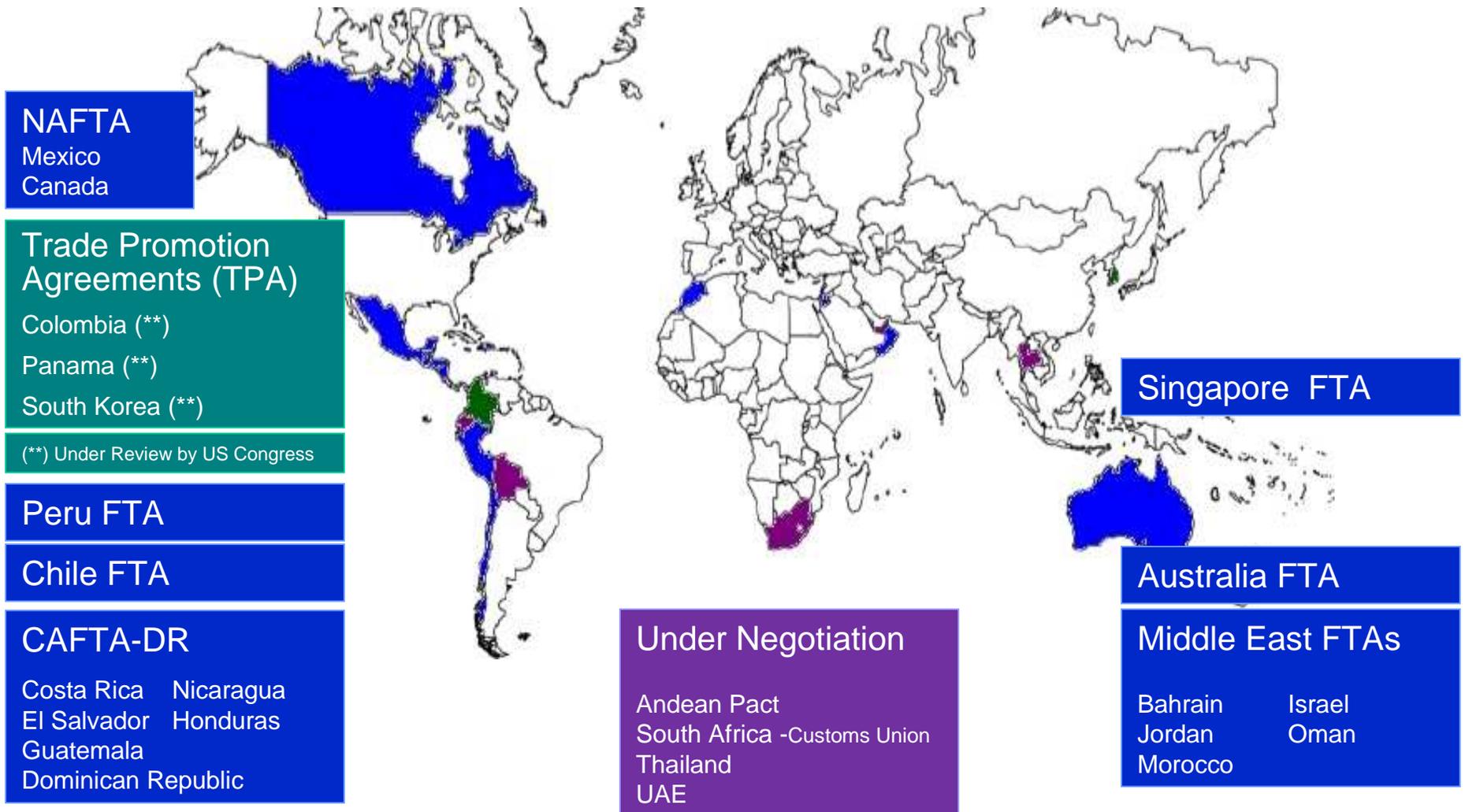
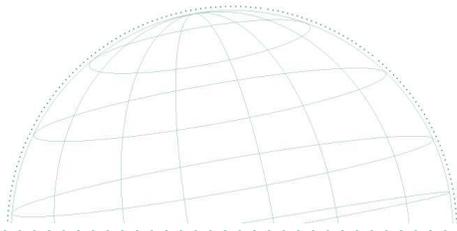
Regional Trade Agreements World

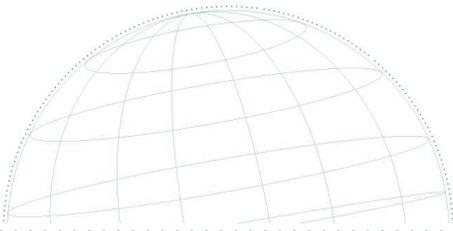
Map F
Establishment of Regional Trading Blocks



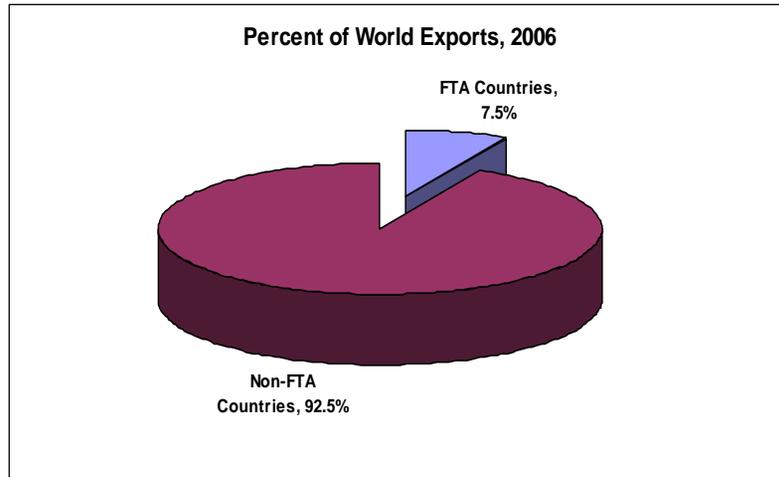
Source: The Changing Landscape of Regional Trade Agreements: 2006 Update

Free Trade Agreements World





Free Trade Agreements

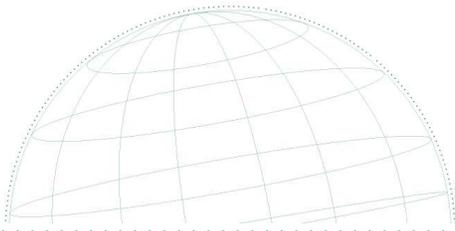


Advantages of FTAs

- ❑ Improved Market Access
- ❑ Transparency on Rules and Procedures
- ❑ Customs Facilitation
- ❑ Reduction or elimination of Tariffs
- ❑ Lower Risks

Objections to FTAs

- ❑ Effects on individual industry sectors
- ❑ Timing of reduction of Tariffs
- ❑ Trade imbalance between member countries

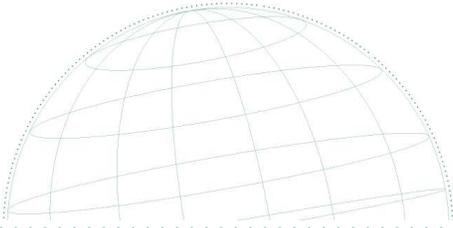


US Exports by Region

(Selected Countries)

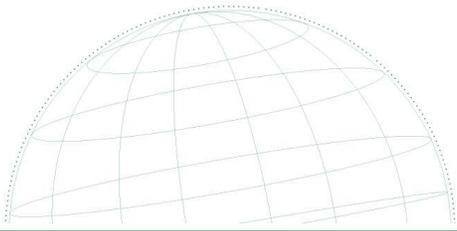
Source: TradeStats Express™

Rank	Country	Region	US Dollar (000,000's)			% Share			% Change
			2005	2006	2007	2005	2006	2007	2006/2005
		World	904,380	1,037,143	1,162,708	100.00%	100.00%	100.00%	10.80%
95	Ghana	Africa	338	290	416	0.04%	0.03%	0.04%	30.34%
50	Nigeria	Africa	1,615	2,231	2,787	0.18%	0.22%	0.24%	19.95%
34	South Africa	Africa	3,882	4,462	5,518	0.43%	0.43%	0.47%	19.14%
16	India	Asia	7,858	10,091	17,582	0.88%	0.97%	1.51%	42.64%
60	Vietnam	Asia	1,192	1,100	1,903	0.13%	0.11%	0.16%	42.18%
4	Japan	Asia Eastern	55,410	59,649	62,665	6.13%	5.75%	5.39%	4.81%
65	Ukraine	Europe Eastern	532	756	1,342	0.06%	0.07%	0.12%	43.64%
46	Poland	Europe Eastern	1,267	1,961	3,123	0.14%	0.19%	0.27%	37.22%
30	Russia	Europe	3,942	4,717	7,365	0.44%	0.45%	0.63%	35.96%
31	Turkey	Europe	4,274	5,730	6,586	0.47%	0.55%	0.57%	13.00%
5	United Kingdom	Europe	38,629	45,393	50,296	4.27%	4.38%	4.33%	9.75%
13	Brazil	Latin America	15,345	19,228	24,628	1.70%	1.85%	2.12%	21.93%
28	Colombia	Latin America	5,415	6,708	8,560	0.60%	0.63%	0.74%	21.63%
23	Venezuela	Latin America	6,408	9,012	10,199	0.71%	0.87%	0.88%	11.65%
22	Saudi Arabia	Middle East	6,830	7,808	10,399	0.76%	0.75%	0.89%	24.92%
35	Egypt	Middle East	3,189	4,104	5,347	0.35%	0.40%	0.46%	23.25%
19	Israel	Middle East	9,732	10,964	13,019	1.08%	1.06%	1.12%	15.78%
1	Canada	North America	211,420	230,257	248,437	23.38%	22.20%	21.37%	7.32%



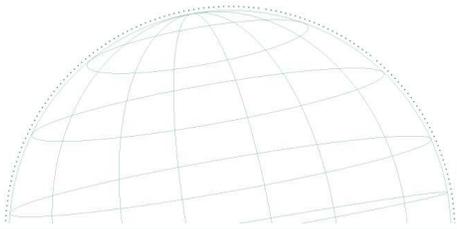
Taxes & Duties

- ❑ Multiple Taxes Charged by Different Countries
 - ❑ Brazil
 - ❑ ICMS (18%), IPI (20%), PIS/COFINS (9.25%), etc.
 - ❑ Argentina
 - ❑ VAT (21%), Municipal (3%), Check Transactions (0.6%), etc.
 - ❑ Venezuela
 - ❑ VAT (15% and 14%), Municipal (0.81%), Check Transactions (0.5%), etc.
- ❑ Duties vary by Country and Industry Segment
 - ❑ Can range from 0% (FTA countries) to >35%



Value Added Tax (VAT)

- ❑ Value Added Tax
 - ❑ Must be paid in full when goods are imported
 - ❑ Cash Flow impact
 - ❑ Can be as high as 21%
- ❑ VAT becomes part of the cost of the product at every stage of the commercialization process
 - ❑ Increases total tax by computing it on a larger base
 - ❑ Different from US where no sales tax is charged until the product reaches the consumer
- ❑ Importer recovers VAT paid when goods were imported after it sells the goods to someone else
- ❑ Process continues until product reaches end-user who cannot recover VAT



VAT Calculation Example

Assumption: 18% VAT rate

Import

Sale

Invoice=\$10,000

VAT Due : \$1,800
(18% of \$10,000)

Payment to Government:
\$1,800

Importer **pays** VAT when goods clear Customs

Total Cost = \$11,800

Profit=\$1,000
Cost=
Invoice + VAT=
\$11,800

VAT Due : \$2,304
(18% of \$12,800)

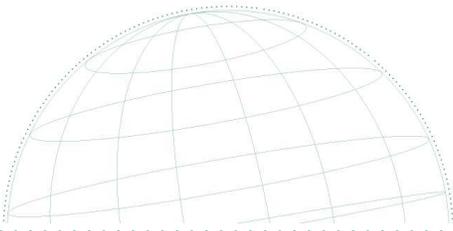
Less VAT Credit: \$1,800

Importer **recovers** import VAT when goods are sold

Sales price = \$12,800 plus 18% VAT = \$15,104

Becomes Credit Against 'Sale' VAT

Payment to Government:
\$504



Import Duties and Taxes - Brazil

- **Import Duty (I.I.)**

Calculated over CIF value

- **Industrialized Product Duty (I.P.I.)**

Calculated over CIF value + I.I.

- **Social Integration Program (P.I.S.)**

Calculated over CIF value + I.I. + I.P.I.

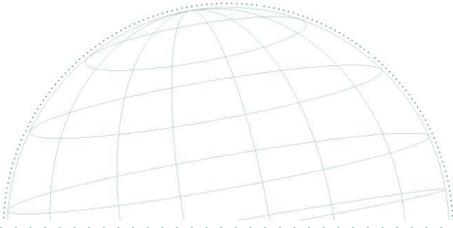
- **Social Fund Contribution (COFINS)**

Calculated over CIF value + I.I. + I.P.I. + P.I.S.

- **Value Added Tax - VAT (I.C.M.S.)**

Calculated over CIF value + I.I. + I.P.I. + P.I.S. + COFINS +
SISCOMEX Fee

Brazilian Importers on average pay 70% to 100% of FOB price for Duty, Taxes, Transportation and Customs Clearing Expenses

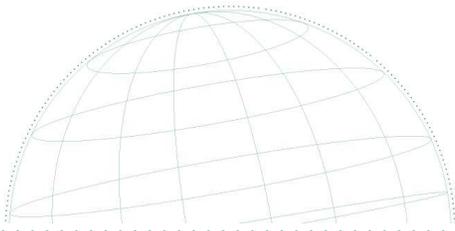


Import Cost Example - Brazil

Description	Amount
FOB price of Product	\$100,000
Ocean Freight (*)	2,400
Insurance @ 1% of FOB	1,000
CIF Price of Product	103,400
Import Duty (*) @15% of CIF	15,510
IPI Tax @ 5% of CIF + Import Duty	5,945
ICMS (*) @18% of CIF + Import Duty + IPI (Calculated as 'true' markup= $((\text{Total}/(1-.18))-\text{Total})$)	27,407
PIS/COFINS @ 9.25% - complex formula averages 12.63% of CIF	13,059
Merchant Marine Tax @ 25% of Ocean Freight cost	600
Warehousing @ .65% of CIF or min \$170 and max \$235	235
Terminal Handling Charges (Average fee) - per container	100
Contribution to Customs' brokers Union @ 2.2% of CIF or min \$71 or max \$160	160
Customs brokerage fee: Average of .65% of CIF or min \$170 or max \$450	450
SISCOMEX fee	30
Transportation Charge (Average)	35
Bank Costs @ 2% of FOB (Average cost)	2,000
Final Landed Cost	\$169,931

Source: Comissaria de Despachos Aduaneiros Ltda, Brazil

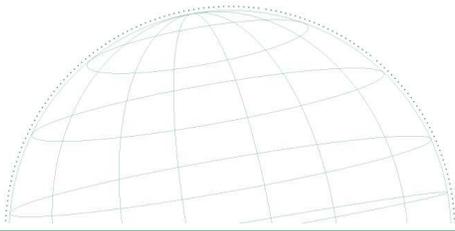
(*) Example



Market Entry

Main Considerations

- ❑ Internal and External Analysis
- ❑ Market Size
- ❑ Imports or Exports of Similar Products
- ❑ Business Environment



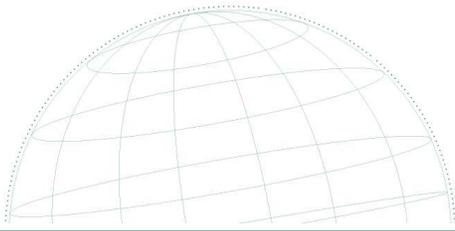
Market Entry: Internal and External Analysis

□ Internal Analysis

- Manufacturing
 - Capacity Available for Exports
 - Seasonality Factors
- Financial Capacity
 - Payment Terms
 - Currency Fluctuations
- Product Line Review

□ External Analysis

- Competitor Presence in Region
- Approvals and Certifications Required for entry into Markets
- Existence of Free Trade Agreements between countries (not necessarily involving the US)



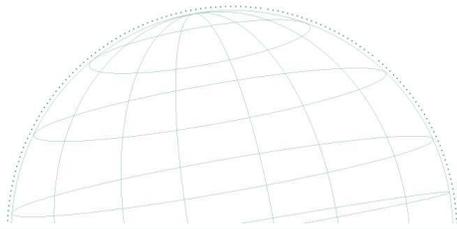
Market Entry: Market Size and Imports

□ Market Size

- Market Reports
 - ODOD
 - US Commercial Service
 - Research Groups
- Trade Associations
- Market Indicators
 - Sales of Complementary Products

□ Imports or Exports of Similar Products

- Import Statistics
 - Available in some countries usually for a fee
 - Generally hard to get
- Export Statistics
 - Fee Based Reports
 - GTIS
 - PIERS
 - Free Reports
 - <http://tse.export.gov>



Market Entry: Export Statistics TradeStats Express™

Home
National Trade Data
State Export Data
Help

Get the latest annual and quarterly trade data with TradeStats Express.™
Retrieve, visualize, analyze, print and download your customized output.

Now with First-Quarter 2007 Data

National Trade Data

U.S. merchandise exports, imports, trade balances

2003 Export of US, TOTAL
Total All Merchandise

Product	Value (\$)	Percent
TRANSPORTATION EQUIPMENT	1,410,401,734	23.1 %
MACHINERY ETC. (EXCEPT)	772,437,111	12.1 %
TI-CERAMIC	644,302,310	9.8 %
TI-GENERAL	577,282,470	8.8 %
TRANSPORTATION EQUIPMENT	2,289,992,774	40.8 %
All Other	1,097,992,774	16.8 %

2003 Export of US, TOTAL

Value (\$)	Percent
\$1,000,000	1.6 %
\$250,000	0.4 %
\$100,000	0.2 %
\$75,000	0.1 %
\$50,000	0.1 %
\$25,000	0.0 %
\$0	0.0 %

Export of US, (GIA) in thousands (\$ US\$)	2000	2001	2002	2003	2004	2005	2006	2007
World Total	947,900,000	848,412,000	900,010,000	780,000,000	780,000,000	850,000,000	950,000,000	1,000,000,000
Canada	181,500,000	184,000,000	180,000,000	175,000,000	170,000,000	175,000,000	180,000,000	185,000,000
Europe	70,000,000	75,000,000	80,000,000	85,000,000	90,000,000	95,000,000	100,000,000	105,000,000
Japan	40,000,000	45,000,000	50,000,000	55,000,000	60,000,000	65,000,000	70,000,000	75,000,000
Other	100,000,000	110,000,000	120,000,000	130,000,000	140,000,000	150,000,000	160,000,000	170,000,000

State Export Data

State and regional exports of merchandise

2003 TOTAL

Product	Value (\$)	Percent
Computers & Electronic Equip	38,267,143	74.1 %
Machinery, Manufactures	2,718,978	6.2 %
Elect. Equip., Appliances & Parts	2,180,204	4.3 %
Misc. Manufactures	1,999,000	3.9 %
Plastics & Rubber Products	1,512,200	3.4 %
Fabrics, Textile Products	1,200,000	2.4 %
All Other	1,400,553	2.8 %
Grand Total	51,978,737	100 %

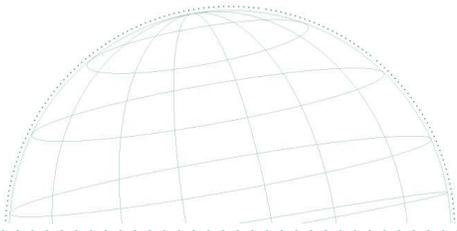
2003 TOTAL

Value (\$)	Percent
\$10,000,000	19.5 %
\$5,000,000	9.7 %
\$1,000,000	1.9 %
\$500,000	1.0 %
\$250,000	0.5 %
\$100,000	0.2 %
\$50,000	0.1 %
\$25,000	0.0 %
\$0	0.0 %

Export from New Hampshire in (thousands (\$ US\$))	2000	2001	2002	2003	2004	2005	2006	2007
Product Value	148,960	148,000	148,000	148,000	148,000	148,000	148,000	148,000
100 Transp. & Electronic Equip	110,700	110,700	110,700	110,700	110,700	110,700	110,700	110,700
100 Machinery, Manufactures	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
100 Elec. Equip., Appliances & Parts	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
100 Misc. Manufactures	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
100 Plastics & Rubber Products	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
100 Fabrics, Textile Products	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
100 All Other	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100

2003 TOTAL
Export from Alabama

Source: <http://tse.export.gov>



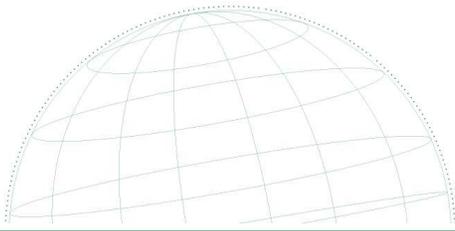
Market Entry: Business Environment

- ❑ International Country Risk Guide
 - ❑ www.countryrisk.com
- ❑ Transparency International
 - ❑ www.transparency.org
- ❑ Inter-American Development Bank
 - ❑ www.iadb.org/businessclimate/sitio/i_home.htm

•Opacity Index

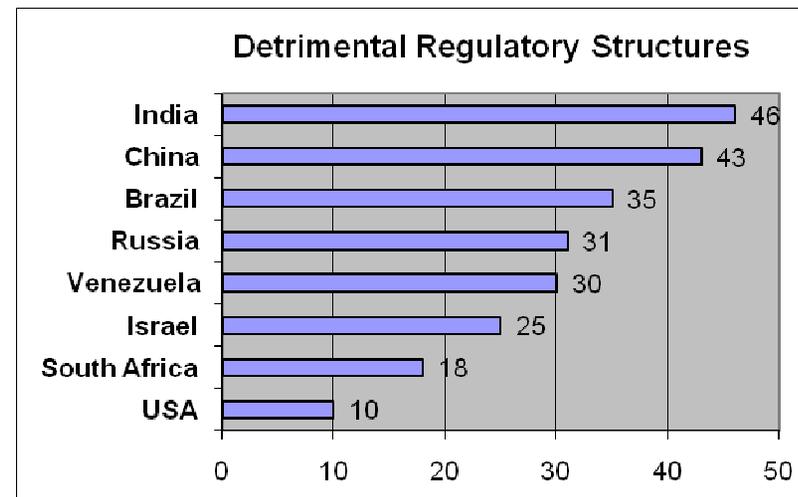
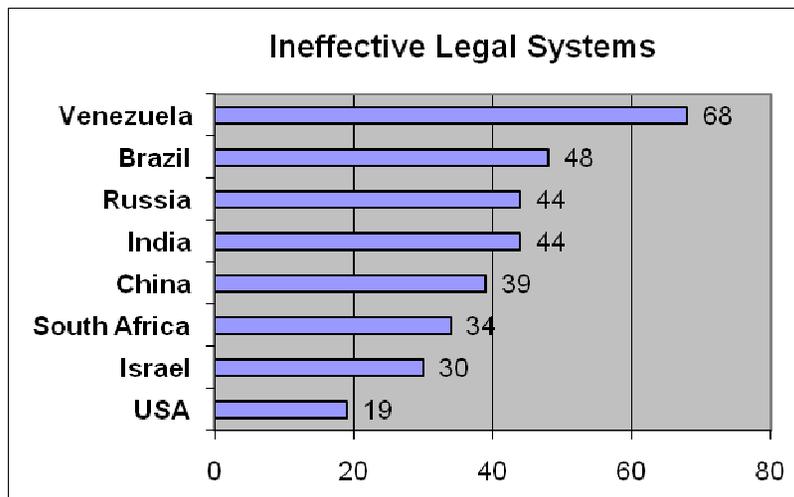
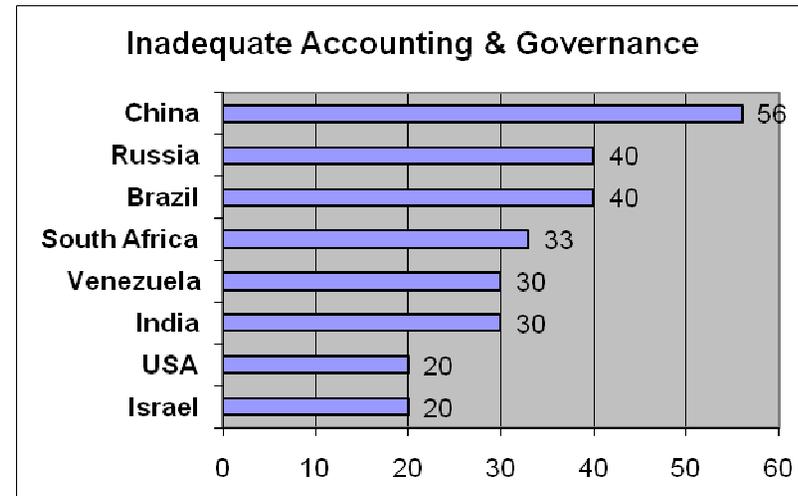
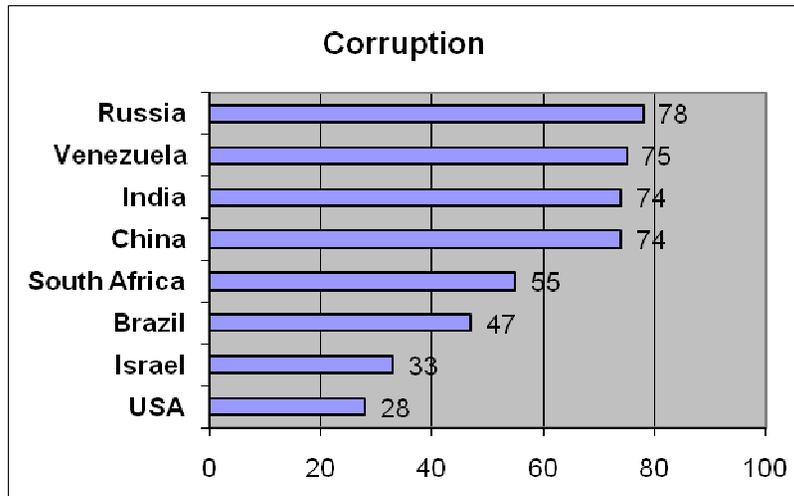
- Developed by Joel Kurtzman (2001)

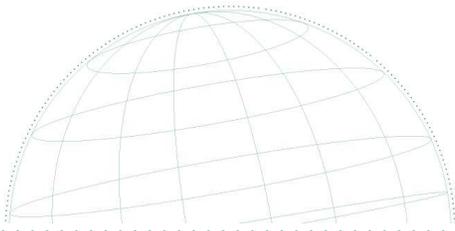
“Measures effects of lack of transparency in countries’ legal, economic and governance that can confound global investment and commerce”



Opacity Indicators

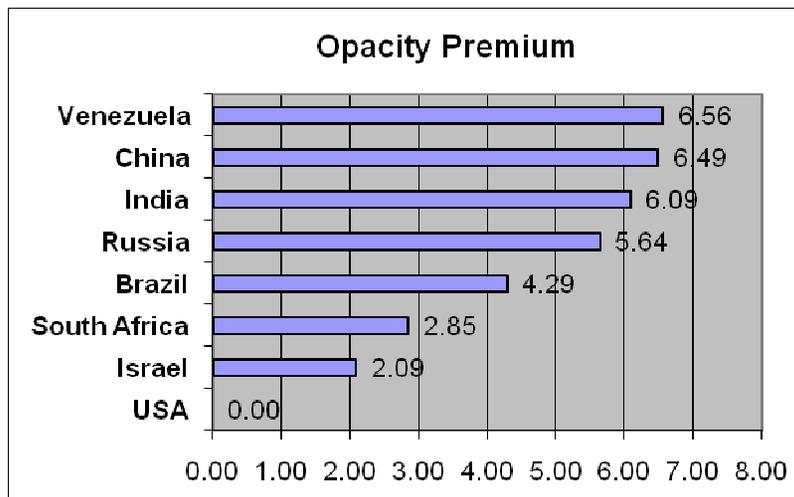
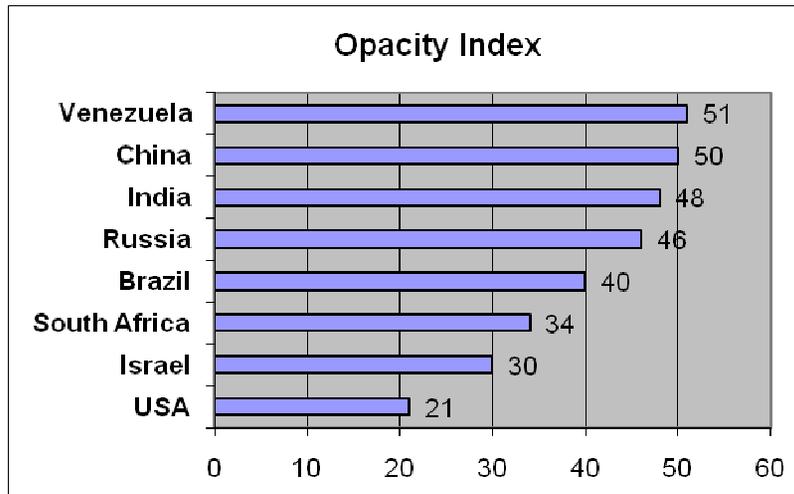
Selected Countries around the World





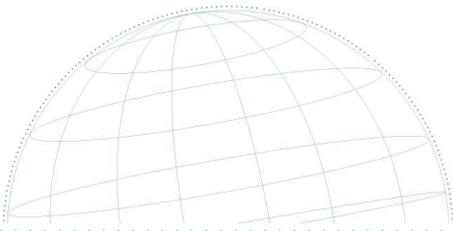
Opacity Index

Selected Countries around the World



- Opacity Index
 - Enables companies to factor risk in their decision-making process
- Opacity Premium
 - Enables companies to estimate the return *above* the US they should expect in a given country to offset the risk inherent with that country

Source: The Kurtzman Group, 2004



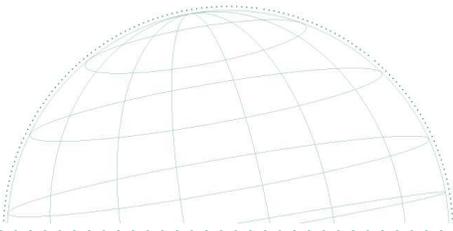
Reforms Improve the Commercial Environment

Top Reformers (2006/2007)					
Country	Starting Business	Getting Credit	Protecting Investors	Paying Taxes	Enforcing Contracts
Egypt	√	√			
Georgia	√	√	√		
Ghana	√	√			√

Negative Reformers (2006/2007)					
Country	Starting Business	Getting Credit	Employing Workers	Paying Taxes	Trading Across Borders
Venezuela			√	√	√
Indonesia	√				

Source: Doing Business (2008 Report)

- ❑ Eastern Europe and former Soviet Union states implemented most reforms
- ❑ Most Popular Reforms:
 - ❑ Easing Regulations
 - ❑ Reducing Tax Rates and Administrative Bureaucracy
- ❑ Egypt reduced capital requirements and fees to start business and registrations jumped 39% within 6 months



Ease of Doing Business

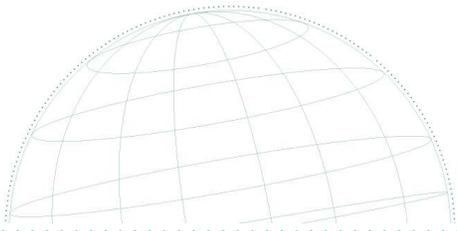
Country	Region	2007 Rank	2006 Rank
United States	N. America	3	3
Congo	Africa	175	178
South Africa	Africa	29	35
China	Asia	93	83
India	Asia	134	120
Singapore	Asia	1	1
Thailand	Asia	18	15
Georgia	East Europe	37	18
Poland	East Europe	75	74
Russia	East Europe	96	106
Italy	Europe	82	53
UK	Europe	6	6
Brazil	Lat. America	121	122
Chile	Lat. America	28	33
Mexico	Lat. America	43	44
Egypt	Middle East	165	126
Saudi Arabia	Middle East	38	23
Canada	N. America	4	7

- Ranks only business Regulations

- Visible Rank fosters competition among countries and drives Reforms

“What Gets Measured Gets Done”

- Businesses use changes in Ranks to identify countries actually implementing Reforms

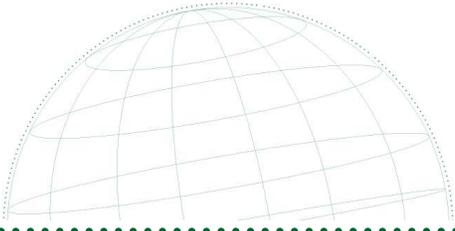


Market Entry Options

- ❑ Direct Export
- ❑ Distribution or Agency
 - ❑ Through Foreign Representative
 - ❑ Through Local Representative
- ❑ Joint Venture
- ❑ Direct Investment
 - ❑ Greenfield or Existing Site

Working through
Partners without
Investing Capital

Capital
Investment
Required

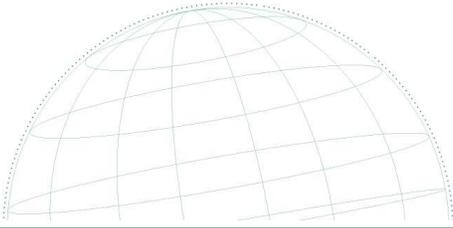


Direct Export or Distribution: Payments

- ❑ Terms of Sale
 - ❑ Clock Starts Ticking When Boat Sails
 - ❑ Collections always take more than 30 days from invoice date (*)

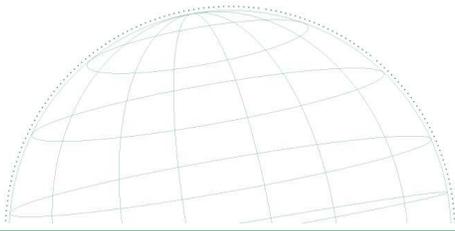
- ❑ Exchange Rate Risk
 - ❑ Importer pays in Dollars but collects in local currency

(*) Except for Payments in Advance



Direct Exports or Distribution: Risks to Getting Paid

- ❑ Customer or Distributor Default
- ❑ Country Risk
 - ❑ Argentina (2002)
 - ❑ Suspension of Payments
 - ❑ Individual Savings lost
 - ❑ Brazil (late 90's)
 - ❑ Extension of payment terms to 365 days DBL
 - ❑ Thailand (1997)
 - ❑ Collapse of Baht led to Asian financial crisis
 - ❑ Venezuela (Present)
 - ❑ CADIVI (Venezuelan Foreign Exchange Commission)
 - ❑ Artificial Exchange Rate
 - ❑ Lengthy collection cycles lead to 'creative' billing by US companies
- ❑ Availability of Hard Currency
 - ❑ Also affected by Country's monetary policies



Direct Export or Distribution: Billing Option (Venezuela)

Step 1

Seller Generates Sales Invoice
•Payment Terms stated as D150 DBL

Customer Wires Funds for Invoice Amount Directly to Seller from Account in U.S.

Goods Are Exported

Step 2

Customer Clears Goods and Forwards copy of Seller's Invoice to CADIVI

Bank Wires funds to Seller on Due Date

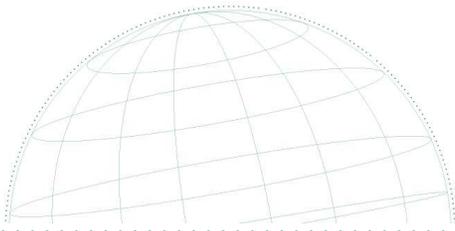
Seller Receives Payment from Bank in Venezuela

Step 3

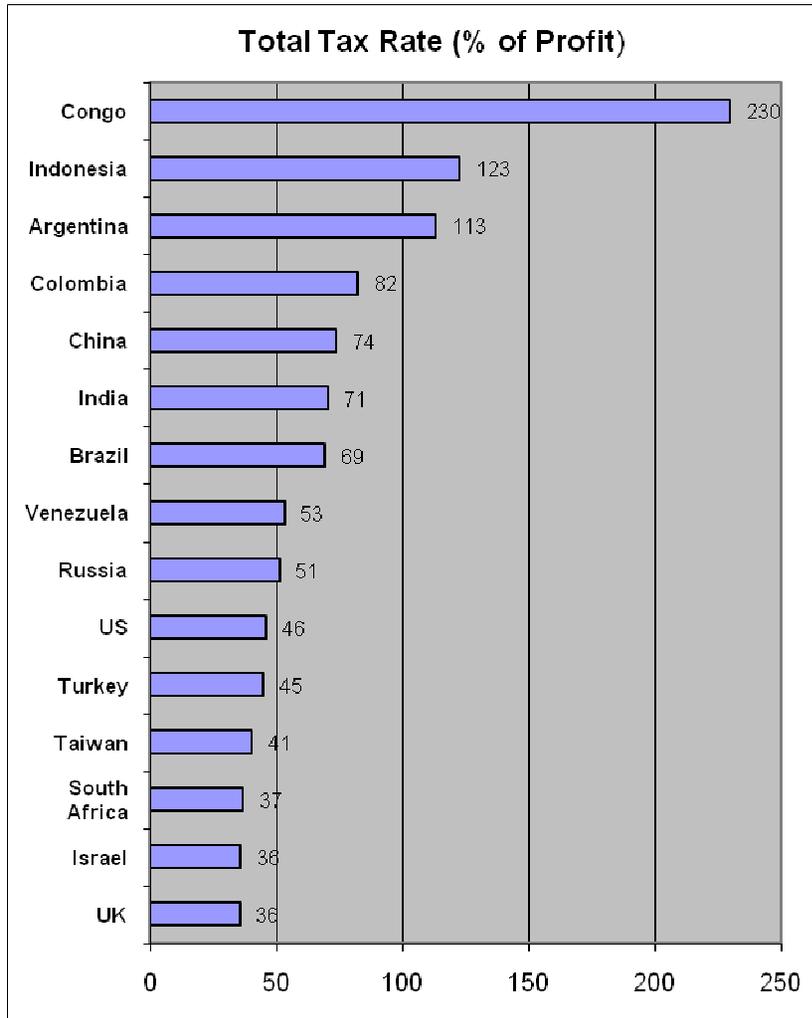
Seller Wires Amount Received from Venezuela to Customer's Account in U.S.

Disclaimer: For Illustration Purposes Only.

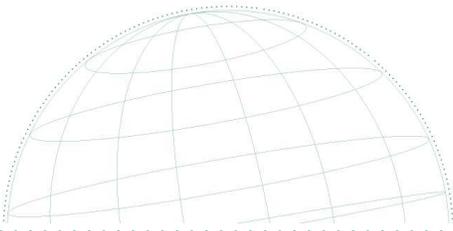
Please consult with an attorney familiar with International Law before agreeing to this type of payment arrangement



Direct Investment or JV: Total Tax Burden By Country

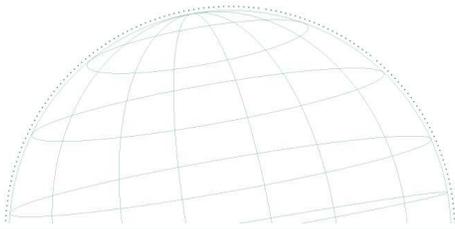


- Includes all Compulsory Taxes payable by Companies
 - Corporate Income
 - Pension or Insurance Funds
 - Property
 - Property Transfers
 - Dividend & Capital Gains
 - Financial Transactions
 - Vehicle tax
- Africa is region with highest business tax rates
 - Congo, Sierra Leone, Burundi, Gambia and CAR all above 200% of profits

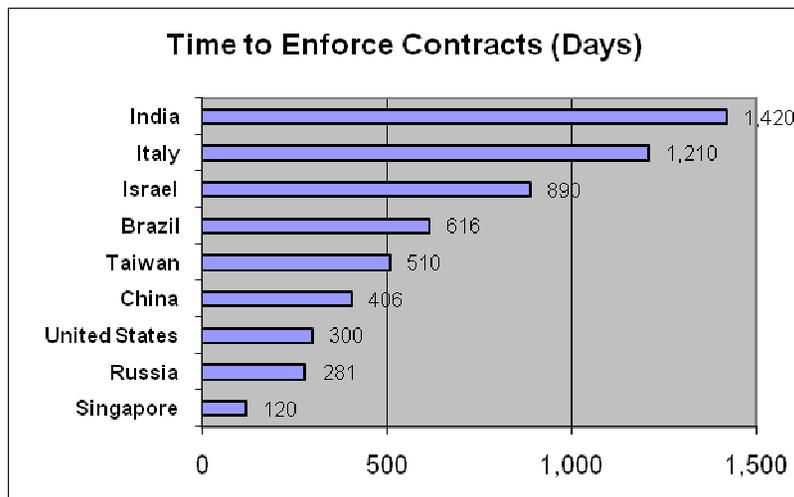
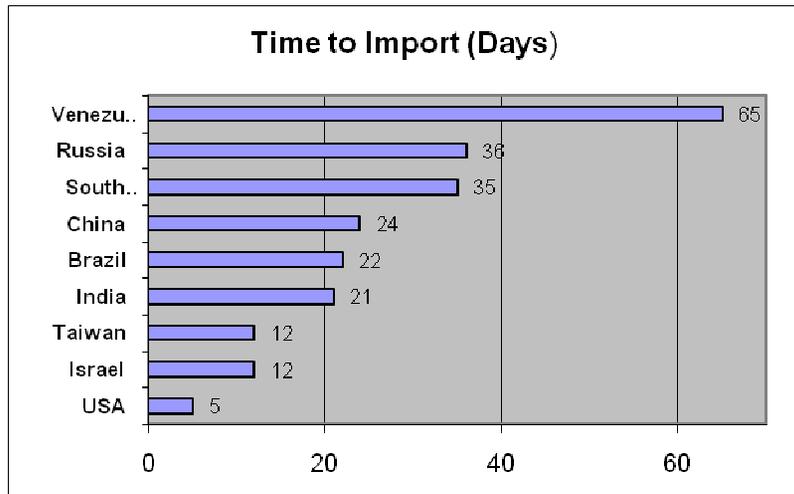


Direct Investment or JV: Interest Rates

- ❑ Generally higher in Emerging Economies
 - ❑ Reflect Country and Political Risk premiums
 - ❑ Tight Monetary Policies in some countries keep interest rates at higher levels than in the US
 - ❑ Brazil reduced overnight inter-bank interest rate (“Selic”) from 20% to 12.5% during the past 2 years – Still high compared to US rates
 - ❑ Business Attitude towards changes in the economy adds significant risk premium to street rates
 - ❑ Brazil: 3% to 4% per month charged on open balances.
- ❑ Overall Cost of Borrowing higher than US



Direct Investment or JV: Bureaucracy and Legal Systems

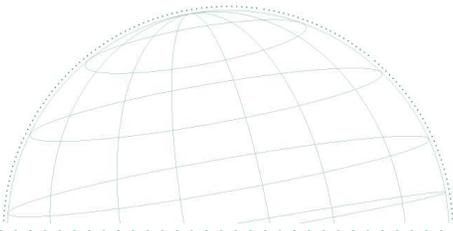


Imports Streamlined

- India: 7 day reduction in clearing time for imports
- Saudi Arabia: Eliminated need for consular invoice
- Risk Management procedures implemented

Dispute resolution can vary widely

- India: Government biggest litigator
- Eastern Europe: Several countries now focus on efficient resolution
 - Poland: 730 days to 580 days
 - Bulgaria: Random judges



So How do you put all this to Work?

Step 1 Identify the Countries that are attractive for your Products, Technology or Services

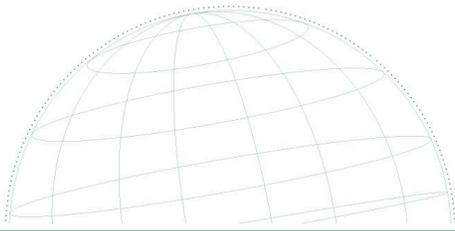
- ❑ Market Reports
- ❑ Trade Statistics
 - ❑ Imports
 - ❑ Exports
- ❑ Industry Associations

Step 2 Evaluate the Business Environment for the Countries Selected

- ❑ Opacity Index
- ❑ Credit Indicators
- ❑ Ease of Doing Business
- ❑ Tax Burdens

Step 3 Evaluate your Company's Capabilities in the Context of the Countries and Environments Selected

- ❑ MFG Capacity
- ❑ Seasonality
- ❑ Financial Capacity
- ❑ Technology Ranking
- ❑ Approvals Required



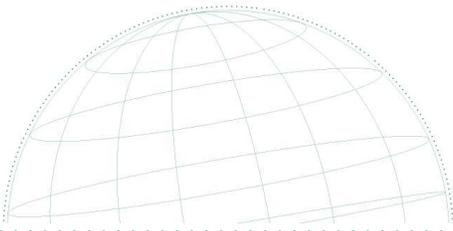
Example: US Exports

Chapter 87: Vehicles....except trams, parts...

January – December Full Year Data									
		U.S. Dollar (000,000's)			% Share			% Change	
Rank	Country (*)	Region	2005	2006	2007	2005	2006	2007	2006/2007
		World	83,161	92,703	106,994	100.00 %	100.00 %	100.00 %	13.36%
5	Australia	South Pacific	1,669	2,061	2,301	2.01%	2.22%	2.15%	10.43%
20	Brazil	Latin America	617	685	693	0.74%	0.74%	0.65%	1.15%
1	Canada	North America	42,671	46,090	49,778	51.31%	49.72%	46.52%	7.41%
7	China	Asia	939	1,291	1,970	1.13%	1.39%	1.84%	34.45%
69	India	Asia	61	68	74	0.07%	0.07%	0.07%	9.25%
25	Israel	Middle East	250	286	364	0.30%	0.31%	0.34%	21.31%
8	Japan	Asia	1,611	1,732	1,873	1.94%	1.87%	1.75%	7.50%
2	Mexico	Latin America	11,322	12,236	13,419	13.61%	13.20%	12.54%	8.81%
36	Poland	Eastern Europe	27	25	63	0.03%	0.03%	0.06%	59.69%
11	Russia	Eastern Europe	524	745	1,333	0.63%	0.80%	1.25%	44.11%
50	Turkey	Europe	73	82	137	0.09%	0.09%	0.13%	40.05%

(*) Selected Countries

Source: TradeStats Express™



Global Market Selection Tool

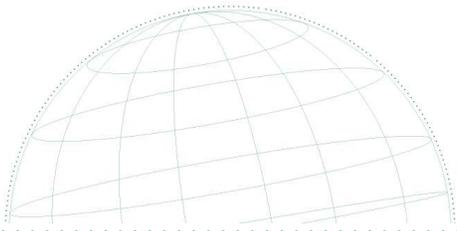
Market Focus: Vehicles (Ch 87 Schedule B)

Country	Market Variables (Step 1)						Country Factors (Step 2)					Company Factors (Step 3)			
	Exports (Market) \$Millions			Export Growth	GDP PPP % Change 2008	FTA	COR	CRE	OI	OP	EODB	MFG	SEA	APP	TECH
	2005	2006	2007	'06 to '07											
Australia	1,669	2,061	2,301	10.43%	3.50%	YES	19	5	21	0.00%	9	YES	FAV	YES	10
Brazil	617	685	693	1.15%	4.00%	NO	47	5	40	1.00%	122	NO	FAV	NO	5
Canada	42,671	46,090	49,778	7.41%	2.32%	YES	26	6	23	0.46%	7	YES	NEU	YES	8
China	888	1,281	1,870	36.45%	8.80%	NO	73	2	38	6.49%	83	YES	NEU	NO	10
India	81	88	78	10.26%	7.78%	NO	73	2	38	6.09%	120	YES	FAV	NO	10
Israel	250	286	364	21.31%	2.93%	YES	33	5	30	2.09%	29	YES	NEU	YES	10
Japan	1,611	1,732	1,872	7.50%	1.39%	NO	38	6	28	1.51%	42	YES	NEU	NO	9
Mexico	11,322	12,236	13,419	8.81%	2.89%	YES	65	6	44	3.01%	44	NO	NEU	YES	10
Poland	27	25	63	59.63%	6.15%	NO	63	4	41	4.43%	74	NO	NEU	NO	8
Russia	524	745	1,333	44.11%	8.85%	NO	78	4	46	6.82%	165	YES	NEU	YES	10
Turkey	73	82	137	40.05%	4.75%	NO	67	5	43	4.95%	57	YES	FAV	YES	7
United States					1.35%		28	6	21	0.00%	3				

FTA=Free Trade Agreement TPA=Trade Promotion Agreement
 COR=Corruption Index CRE=Credit Indicator OI=Opacity Index OP= Opacity Premium
 EODB= Ease of Doing Business MFG=Sufficient Manufacturing Capacity
 SEA= Seasonality APP=Approvals TECH= Technology Rating (Company point of view)

Selection Criteria:

Export Growth: >7%	CRE: >= 5	MFG: Yes
GDP Change: >1.35%	OI: <= 43	SEA: FAV or NEU
FTA: Preferable	OP: <6%	APP: Yes
COR: <=74	EODB: <110	TEC: >=7



International Trade
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