

QUARTERLY INTERNATIONAL BUSINESS COMMUNIQUE

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Trade Representatives Back in Northeastern PA

Pennsylvania has a larger network of expert consultants than any other state in the U.S., currently with 23 Authorized Trade Representatives around the globe. They're your company's market partners abroad, providing in-country assistance, market intelligence, identifying overseas partners and supporting in-country trade initiatives.

The Trade Representatives visit the state twice a year - in the spring and fall. We are currently registering companies to meet with the representatives from the following countries:

- May 22 - Korea, Japan, Taiwan & Singapore (morning)

Each group of Trade Representatives will only be in the region for half a day, so it is important to reserve your spot as soon as possible. These one-on-one meetings are free to local companies interested in or currently exporting to these markets. Contact us to register.

2008 International Hardwood Buyers Mission - May 12-16

The PA Hardwood Development Council is bringing its annual International Buyers' Mission to Northeastern PA. Pre-qualified buyers from Europe, Asia and, for the first time, the Middle East will arrive in Wilkes-Barre on May 11. On Monday, May 12 the buyers will visit a local hardwood facility before traveling on to Tunkhannock and Williamsport. On Tuesday, May 13, companies will have to opportunity to meet one-on-one with the buyers in Williamsport. Companies will have an opportunity to explain their operations, production capabilities and the type of logs, lumber, wood and/or finished products they produce and also learn about the buyers purchasing requirements. Businesses interested in participating in the Buyers' Mission - hosting the buyers or meeting the buyers in Williamsport should contact Mike Horvath for more information.

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New PA Overseas Offices in France, Spain, the Netherlands, Qatar and Russia

The PA Office of International Business Development (OIBD), Center for Trade Development (CTD) has opened a number of new offices over the past few months - greatly expanding the Commonwealth's international reach.

The new offices in France, Spain and the Netherlands will join Pennsylvania's current European trade offices in the UK (also covers Ireland and Scandinavia), Germany (also covers Austria, Switzerland and Italy) and the Czech Republic. The office in France is headed by Mr. Jean-Pierre Giboz who has also worked with the state under its Foreign Direct Investment Program. This office also covers Belgium. Based in Madrid, Ms. Gloria Maria Manchego is PA's Authorized Trade Representative covering the Spanish market. Our newest representative, Mr. Peter Sanders, is based in The Hague, and will assist PA companies in the Netherlands. All three representatives offer PA companies expert advice, in-country support, customized market research and more - directly from our newest European markets.

PA also recently opened offices in Qatar and Russia under the CTD's Emerging Markets Program. This program offers companies export assistance in some of the fastest growing markets in the world. The office in Qatar will also cover Kuwait, Bahrain, UAE, Oman and Yemen and is headed by Mr. Mohamed Dobashi, an experienced businessman and educator. Export assistance requests for Russia will be handled by the Newbridge Group in Moscow.

Have your eye on one of these markets?

The troubled U.S. economy and falling dollar have caused many U.S. manufacturers to look to overseas markets to make up for slumping domestic sales. PA is committed to helping companies export through its extensive Export Network. Your company can access the services of the Authorized Trade Representatives at any time through our Work Order system. Simply ask the question, and we will get you in touch with any of PA's 24 offices around the globe including:

- Australia & New Zealand
- Brazil
- Canada
- Chile
- China - Beijing
- China - Shanghai
- Czech Republic
- Eastern Arabian Gulf (Qatar)
- Eastern Mediterranean Region (Israel)
- France & Belgium
- Germany
- India
- Japan
- Mexico
- Netherlands
- Russia
- Saudi Arabia
- South Africa
- South Korea
- Southeast Asia (Singapore)
- Spain
- Taiwan
- United Kingdom
- Vietnam

Contact us today to learn more about the resources available to your company.

Announcing the Opening of the Pennsylvania Center in Shanghai

We are pleased to introduce the Pennsylvania Center (PAC), the State's official representative office in Shanghai, sponsored by the PA Department of Community and Economic Development (DCED). The office was created to serve a number of functions:

- Provide Executive Offices for PA companies to incubate their growing China business
- Through the Overseas Offices' extensive network, promote PA exports to China and communicate opportunities for business development and strategic partnerships
- Facilitate strategic government relations
- Establish a community for PA companies to share resources and information in China

PAC is strategically located in the heart of downtown Shanghai at the JW Marriott - Tomorrow Square Complex. Features include, furnished or unfurnished office space, easy metro access, conference facilities, wired and wireless internet and professional and helpful staff.



Testimonials

"LCR took advantage of the Pennsylvania Center's Envoy Program to establish a sales and marketing office in downtown Shanghai. It allows us to utilize the expertise of the PA team in China and opened up a network of additional resources and opportunities that are invaluable to our business development."
Nissen Isakov, President, LCR Electronics Inc.

"MSA recommends that any PA firm that wishes to launch a business in China ... to leverage the resources available at the PA Center in Shanghai."

*Alfred A. Kuehn, PhD, CEO,
Management Science Associates, Inc.*



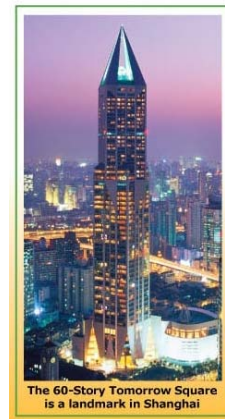
Pennsylvania Business Center Facilities

Envoy Program

Some of the services offered at the PAC are part of the Envoy program. Envoy was created to provide low-cost services to PA companies, beyond what is offered free of charge through the PA Export Network. It is designed to help companies build a high-performance, low-cost and low-risk marketing and sales presence in-country. Envoy is flexible and recognizes that every company has different requirements. Each Envoy subscription is custom-made; however there are four basic formats:

- **In-country Representation** (no legal entity) - the Trade Office will hire on your behalf a 1/4, 1/2, 3/4 or full time associate to represent your company and work on your in-country projects
- **Executive Offices** (own legal entity) - executive office solution (business center) for your in-country company representative
- **Turnkey Solution** (both entity and representation) - your company contracts the PA Trade Office to build both a legal entity and an entire team to fully manage the company's in-country business development
- **Project Based** - short term, specific projects, as needed by PA companies

Envoy services are currently available in Shanghai, China at the PAC and Mexico City, Mexico. Look for additional Envoy offices to open in Australia (New Zealand), India, Japan, South Africa, Singapore (ASEAN) and Taiwan in the coming months.



The 60-Story Tomorrow Square is a landmark in Shanghai



Upcoming Center for Trade Development Events

The PA Export Network organizes PA business delegations to participate in select trade missions and trade shows held around the world each year. As a member of a PA delegation you have the opportunity to meet face to face with international business prospects, share experiences with fellow PA businesses, and connect with high level government and private representatives.

TRADE MISSIONS

Energy Trade Mission to South Africa

June 23-27, 2008

Johannesburg, Mpumalanga, Kwa-Zulu Natal & Durban
South Africa's sustained economic expansion and increasing demand for power is causing serious, long-term energy shortages. PA is looking to position itself to help meet these demands and take advantage of the \$55 billion that the country's sole electric firm plans to spend on upgrading electrical generation, transmission and distribution over the next five years. Participants in this mission will receive a customized itinerary of meetings with prospective buyers, representatives and government officials in key locations throughout the country. Participation is limited to 10 companies and the fee is \$500.

Deadline: May 16, 2008

Saudi Arabia

October 25-29, 2008

Riyadh, Jeddah, Dammam

Deadline: August 1, 2008

Chile, Argentina & Peru

Beginning of November 2008

Santiago, Buenos Aires, Lima

MINING & OIL/GAS

Electra Mining

September 8-12, 2008

Johannesburg, South Africa

Deadline: July 31, 2008

Rio Oil & Gas Expo and Conference 2008

September 15-18, 2008

Rio de Janeiro, Brazil

Cost: \$400

Deadline: June 13, 2008

HEALTH CARE & THE SCIENCES

Bio Korea

September 27 - October 2, 2008

Seoul, South Korea

EuroBio - France

October 7-9, 2008

Paris, France

MEDICA - Germany

November 19-22, 2008

Düsseldorf, Germany

Deadline: July 15, 2008

IT & TECHNOLOGY

CEATEC 2008

September 30 - October 4, 2008

Tokyo, Japan

Cost: \$1,000

Deadline: July 1, 2008

FOOD

FHC China 2008

December 4-6, 2008

Shanghai, China

Deadline: August 1, 2008

ENVIRONMENT

Pollutec - France

December 2-5, 2008

Lyon, France

Deadline: July 15, 2008

PA Department of Agriculture

Fancy Food Show Summer

June 27-July 2, 2008

Javits Convention Center, New York City

PA Hardwoods Development Council

Vietnamwood 2008

October 19-22, 2008

Ho Chi Minh City, Vietnam

Food Export - Northeast's 2008 Branded Program

Matching Fund Grant for Exporting Food, Feed and Certain Wood Product Companies

Did you know you can receive up to \$250,000 in matching funds to help expand export markets through Food Export USA - Northeast's Branded Program? Last year small and medium sized PA companies received over \$1 million under this program. Visit www.foodexportusa.org for more information.

USDA/FAS Trade Shows

Attention food manufacturers and processors! Consider taking part in the U.S. Pavilion at the following shows...

EXPHOTEL

June 11-13, 2008

Cancun, Mexico

International exposition of suppliers for the hotel, restaurant, bars and discotheques industries

Food Taipei

June 18-21, 2008

Taipei, Taiwan

This highly internationalized show has become one of the best industry events in Asia with dozens of countries participating as national pavilions each year.

Fine Food Australia

September 22-25, 2008

Melbourne, Australia

Now in its 27th year, Fine Food Australia is the definitive exhibition for the food, beverage and hospitality industry, showcasing the latest innovations in food, drink and equipment.

Market Access Grants Are Still Available

Northeastern PA is underrepresented in this year's Market Access Grant (MAG) pool - only fourteen companies have applied for grants so far this year. As your export partner we would like to see a larger portion of this money reach our region.

Market Access Grants are designed to provide small and mid-sized PA businesses with the financial assistance they need to increase their international business capabilities. Funds can be used in a variety of ways including the fees associated with attending any of the before mentioned trade shows, missions and events. If you are thinking about taking a business trip, attending a trade show, internationalizing your website or investing in certification to export, this grant can help.

Grants can cover 50% of the project costs, and companies are eligible for up to \$5,000 per year. Some of the eligible expenses include: lodging, airfare, trade show registration fees, freight charge for shipment of display and/or products to exhibition venue, in-country transportation to and from a trade event, postage fee for international marketing mailing, translation/interpreter fee, USDOC export promotion service fees, international marketing brochure/catalogue development, training and certification, consultant fees (website, training, etc.) Please visit our website, www.nepa-alliance.org/international.htm, for the MAG application and guidelines. Please note – the next deadline for application review is **APRIL 30, 2008**.

Current Trade Leads

1. Jordan: Pharmaceuticals
2. Egypt: CNG Cylinders for Vehicles
3. Iraq: Agricultural Tractors
4. Israel: Extruded Breakfast Cereals
5. Israel: Aviation & Military Grade Fasteners
6. Israel: Innovative "Green" Products
7. Israel: Ice Cream
8. Iraq: Gynecology Surgical Instruments
9. South Africa: Rebar

Attention Hardwood Companies!

PA's Trade Representative in Japan has identified and discussed PA hardwoods with a number of companies that currently import from the US, China, Southeast Asia, Russia, Europe and Brazil. These companies are interested in identifying quality PA hardwoods suppliers. Contact us today for a list of the interested companies.

Special Advertising Opportunity in the Commercial News USA

Commercial News USA, the official export promotion magazine of the U.S. Department of Commerce, is planning a special Global Appalachia section as part of the July/August 2008 issue of the magazine. All advertisers in the Global Appalachia special section can take advantage of a special \$500 discount on ads, and advertise for as little as \$395 (a \$1095 value). All advertisers also will receive a free upgrade to color. The special section will provide qualifying companies with a unique international vehicle for reaching worldwide buyers. Reserve your space today! The deadline for space reservations is May 9, 2008. To learn more visit www.thinkglobal.us/appalachia or contact us today.

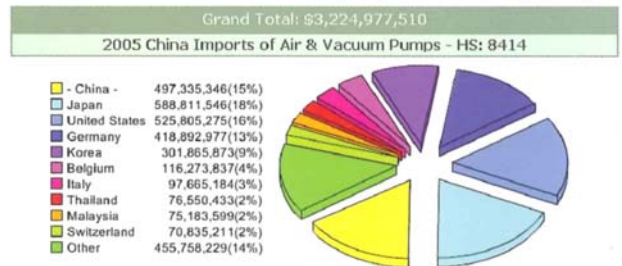
Newsletter & Information

Would you like to receive a monthly newsletter or additional information by email? Contact Michael Horvath, International Business Development Manager with your **name and email address** to be added to our list for future email updates or to obtain further details on any articles or information contained in this newsletter.

Virtual Trade Advisor - www.newPA.com/trade

The Virtual Trade Advisor (VTA) is an easy to use online tool for PA companies looking for more information on potential export markets. Designed to help companies get the information they need to start or expand their export business, the VTA helps companies locate their best potential markets, generates market statistic reports and offers recommendations on everything from trade regulations to generating leads and finding grants and financing.

The VTA consolidates several sources of market research and trade data into an easy to understand report format. Every report is customized to your product. Use the VTA to identify the best markets for your product or select a specific country to view data on sales and trends in that market.



This report shows the countries that are selling your product into your selected market.

NOTE: Some information in the International Business Communique is obtained from the Federation of International Trade Association. You can subscribe to their free publication at <http://www.fita.org>.

Country Insights

Canada

For many U.S. companies, foreign trade means trade with Canada. Canada is the largest trading partner of the U.S., accounting for 23 percent of U.S. exports in 2005. It has an affluent, trillion-dollar economy with sound fiscal management and a free market system. A good site to visit is the Canadian Embassy in Washington (<http://www.canadianembassy.org/business/canada-en.asp>). Just click through the links at this site, and you'll find a wealth of resources for trade.

The United Kingdom

The UK has a first-class economy with low inflation, interest rates and unemployment and a high profile in world trade. In 2006 the UK was 6th in the world for importing, and 8th for exporting. Prospects are good for continued growth in the UK economy, and this is a country you want to do business with if you're involved in trade. Check out UK Trade & Investment (<https://www.uktradeinvest.gov.uk>), a government site with lots of information.

Denmark

Do a little research on Denmark and you will see it has a lot of potential for business. Denmark has a high standard of living, low unemployment, a stable currency and a strong dependence on trade. It's consistently among the world's top 40 countries for both imports and exports. You can find out more at Danish Exporters (<http://www.danishexporters.dk>). Don't be fooled by the name of the site -- both importers and exporters will find this site useful.

Luxembourg

Although it's tiny in terms of land mass, Luxembourg ranks above much larger countries in many economic categories, including imports and exports. If this sounds like a country you'd like to research, a good site to visit is the U.S. Commercial Service Luxembourg page (<http://www.buyusa.gov/luxembourg/en/>).

Poland

Since it came out of the Soviet orbit in 1990 Poland has transformed itself into a country with a robust, stable economy that features a thriving private sector. In 2006 it ranked 27th in the world for imports, and 31st for exports. Prospects are looking even better for the Polish economy since it joined the EU, and there are many opportunities for trade. A good site to visit for more information is Polish Information and Foreign Investment Agency (<http://www.paiz.gov.pl/index/?id=14491b756b3a51daac41c24863285549>).

Italy

Today, Italy is one of the world's ten biggest importers and exporters, with many opportunities for foreign businesses. A good site for more information is the Italian Trade Commission (<http://www.italtrade.com>) site. Here you'll find: a directory of Italian manufacturers and suppliers, a calendar of trade events, Italian business news, industry and market statistics and more.

For more information on these and other countries visit www.fita.org - just click on "Country Profiles" and select a country for overviews - language information, currency, climate, plus more specific information about the economy, markets, taxes, tips on doing business, and much more.

To obtain further details on any articles or information contained in this newsletter or to receive email updates, contact:

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Useful Websites

The Latest International Business News

International Business Times (www.ibtimes.com) is a newspaper that covers the global business arena, and it's packed with breaking news, analysis, advice and opinions that will give you the knowledge you need to succeed.

Taxing Matters at the IRS International Business Page

Of course, the U.S. isn't alone in collecting taxes, and anyone engaged in international business is going to have taxes to pay, probably to multiple countries. A good resource for keeping up with U.S. tax news is the IRS International Business page (www.irs.gov/businesses/international/). There are links here to forms and schedules, articles about international taxation, tax treaties, lists of IRS offices around the world, news & events, and more.

How to Source China Products at Low Factory Prices

Sourcing wholesale from China used to be a tough job. You could get low prices - but all too often you also get low quality. Things have changed. Now, Global Sources Online (www.globalsources.com) features thousands of pre-screened suppliers offering factory prices on top-quality products. In addition, their industry-specific sourcing magazines provide even more qualified suppliers. Every issue includes contact details for hundreds of manufacturers - so buyers can find the right people in order to make their best deals.

Free Automation of Letter of Credit Documentation

Anyone who does international trade understands the importance of Letters of Credit. Many companies make mistakes in their Letter of Credit documentation, which causes banks to slow down or even stop the payment process. FITA TradeDoX 360 Pro (<http://fita.org/tradev/>) helps you streamline the trade documentation process and eliminate costly and time-consuming errors. You can get a free copy of the TradeDoX 360 Pro software by registering at the FITA site.

Packaging Success at the International Trade Centre

If you don't follow the rules on packaging, your products will run into problems in transit. You can learn a lot about packaging and trade at the International Trade Center's Packaging for Development (www.intracen.org/ep/) page. Click on the topics in the left column to find what you need. "Free Documents" is especially helpful, with dozens of articles, reports and how-tos with practical information.

Small Biz Tools at TradeRoots

The U.S. Chamber of Commerce has branches in more than 91 countries. Now the Chamber has a great new Web site focused completely on trade. TradeRoots (www.traderoots.org) is geared towards small business, but has lots of useful information about trade for any size business. You'll find statistics, market reports, country profiles, contacts, business directories, exchange rates, conversion tables, an export glossary and much more.

Offstats has Free Official Statistics

Offstats, www.offstats.auckland.ac.nz/, is a Web gateway at the University of Auckland, NZ, to free official statistics on the Web. You can search by country, region, and topic and you can find links to statistics on agriculture, housing, crime, health, globalization, energy, cost of living, women, taxes and education to name a few.

U.S. - Australia Treaty on Defense Trade Cooperation

President Bush and Australia's former Prime Minister Howard signed a Treaty on Defense Trade Cooperation in September 2007. Both countries are now completing processes, under respective domestic laws, to bring the Treaty into force. The Treaty opens up new avenues for industrial cooperation between the defense industries of the U.S. and Australia allowing companies in both countries to share technical data without the need for an export license. This will considerably reduce the lead times before companies can discuss potential business opportunities or capability solutions for their respective Defense Forces. For additional information view: <http://www.state.gov/t/pm/rls/fs/91763.htm> and <http://www.fas.org/sgp/crs/natsec/RS22772.pdf>