GLOBAL NEWS LINE

CANADA

Quebec municipal procurement continues to be a significant market, valued at roughly US$2.5 billion annually, but one to which U.S.exporters have not traditionally enjoyed any guaranteed access. Recently, however, the Province of Quebec and the State of New York agreed to subject their procurements by government ministries and institutions to reciprocal, non-discriminatory treatment. This gives New York State suppliers, without regard to the origin of their goods or services, equal access to Quebec public markets for procurements above specific thresholds. However, the "agreement" does not cover municipal procurement, unlike the 1994 Agreement on Internal Trade, which forced Quebec to open municipal procurement markets to suppliers from other Canadian provinces.

Nonetheless, Quebec's public markets seem to be adopting a more open and less protectionist stance. Although municipal procurements have traditionally been largely "reserved" for local firms, even to the exclusion of Quebec suppliers from other municipalities, there is some movement toward greater openness to competition and more opportunities for U.S. suppliers. For more information, please contact Commercial Officer Donald Businger at the U.S. Consulate General in Montreal. Tel: (514) 398-0673; Fax: (514) 398-0711; Email: Donald.Businger@mail.doc.gov.

NORWAY

Norway's market for dogs, dog supplies and dog services has reached $450 million. It is a good market for such products because of high income, love of dogs and rising ownership in a relatively unsaturated market.

According to published reports on *Aftenposten's* (Norway's premier daily newspaper) Internet site and in *Dagensnaeringsliv* (financial daily), Norwegians spend $450 million per year on dogs and associated products and services, a figure that is rapidly rising. There are about 400,000 dogs in Norway to snuggle the country's 4.5 million people. These are no mutts. The vast majority of dogs are purebred and typically these are work dogs like German shepherds and border collies or sporting dogs such as setters and retrievers. A puppy in Norway costs an average of $825. The average owner spends about $1,100 per year on the pet.

Befitting their incomes and love of dogs, Norwegians are moving upscale in their dog food purchases. Many buy the more expensive brands such as Iams, Science Diet and Eucanuba, which are sold through pet stores. Purina and Nestle have a strong presence. A number of local brands, including some similar in price to Purina and some off-price brands, are sold through grocery stores.

According to *Aftenposten*, Norwegian dog lovers also are buying pricier accessories like shampoos, collars and cages. Surprisingly, hardy Norwegians bundle up some of their friends in doggie coats. Even a market for doggie music CDs might develop.

ITALY

The Italian cosmetics market is enjoying a phase of growth. The latest figures available for 2000 indicate a 5.8 percent increase in value over the previous year, thus reaching 7.4 billion Euros. This figure is all the more significant when compared to the total sales volume of 44 billion Euros generated by the 15 EU markets as a whole, giving Italy a significant share of the entire European market. Forecasts for the three years starting in 2001 indicate that these excellent results are likely to continue and expectations are for an increase of 2 to 3 percent in real terms over the short term.

Domestic buying patterns have shifted towards specialized perfumery boutiques, which have increased their business by 9 percent and to the pharmacies sector, which has increased by 5.3 percent. The best selling items have been facial cosmetics, with 9.9 percent growth for a total of 930 million Euros, followed by body care products, which increased by 7.8 percent, thus totaling slightly over 930 million Euros and perfumes which increased 9.8 percent bringing total sales to 775 million Euros.

There is further space for the growth of the Italian cosmetics industry if it can demonstrate its ability to maintain and build on a relationship of mutual trust with its customers.

HUNGARY

The United States and Hungary Sign Comprehensive Trade Package: On January 30, the United States and Hungary signed an agreement in which Hungary agreed to reduce or suspend its tariffs on $180 million worth of key U.S. agricultural and industrial exports annually. This agreement will establish a more level playing field for U.S. exports to

Hungary and will create more opportunities for U.S. firms in the Hungarian market. The new tariff rates will go into effect on April 1. A complete schedule of the reduced tariffs is available from the Central and Eastern Europe Business Information Center at www.mac.doc.gov/eebic/ceebic.htm

RUSSIA

The restaurant business in Moscow is one of the fastest growing segments of the city's fast growing economy. A reviving middle class is creating a solid customer base, with the result that numerous restaurants and cafes are opening or expanding and purchasing equipment and supplies. The restaurant sector has become one of the most attractive areas of investment for successful Russian businessmen seeking to diversify; a trend that some analysts believe is likely to continue for another 5 to 10 years. International cuisine is increasingly popular, driving demand for foreign foods. The range of fast food options is becoming more varied, with eateries offering variations on traditional Russian fare emerging to compete with the numerous hamburger restaurants. There is a growing need for advanced and efficient restaurant equipment, to enable these establishments to raise quality and control expenses in order to remain competitive

CZECH REPUBLIC

PSA Peugeot Citroën and Toyota Motor Corporation will build a new plant to produce a new class of automobiles in the industrial zone in Kolin, Czech Republic. This will make the Czech Republic one of the biggest European automobile makers, after Germany, France, Spain, U.K. and Italy. Together, the new plant and Skoda Auto will make around 800,000 vehicles per year.

The total amount of investment should reach $1.3 billion. Production of small, compact passenger cars will be launched at the beginning of 2005. The new plant will be able to supply up to 300,000 automobiles per year on the European market. At least 2,000 direct new jobs will be created.

This represents a unique opportunity for U.S. automotive suppliers. The increase in indirect jobs among suppliers and related services is predicted to reach at least 10,000. The investment of such prestigious foreign companies will contribute to a restructuring of the industrial base in the Czech Republic. Arrival of new foreign investors, namely suppliers to the automotive industry is expected in coming years.

CHINA

Now that Beijing has landed the 2008 Summer Olympic Games, the city will be spending $23 billion to build the facilities and put in the infrastructure to ensure a success. This means enormous opportunities for U.S companies. In the telecom and IT area alone, the city plans to spend $3.6 billion to buy and install the technology necessary to support a state-of-the art event. Much of this technology will come from the United States. Now is the time to identify the opportunities and move to the head of the pack.

Beijing's "Informization" Office outlined its IT and telecom plans for the Olympics at the China IT Annual Meeting on December 3. The Director General of the office, Mr. Hua Pinlan, noted the importance of technology to the overall success of the Olympics and predicted that the Games would be the "Digital Olympics." In fact, there are more than 100 projects in this sector alone for which hardware, software and services will be procured.

NEED MORE DETAIL?

Ask a Foreign Commercial Officer at one of the Department of Commerce's posts located around the globe. Contact information, including phone, fax and email, is available by calling the Trade Information Center at (800) USA-TRAD(E).