

GLOBAL NEWS LINE

RUSSIA

After 10 years of stagnation, today the Russian Far East (RFE) construction industry is reporting stability.

Strong potential for growth lies in the development of Sakhalin Shelf projects and in regional interest-free financial programs for residential construction. RFE construction companies focus on erecting single-family homes or high-standard apartment houses for wealthy end-users. As 40 to 60 percent of earth-moving and lifting construction machinery in the RFE is worn out and needs replacement, U.S. exporters can find growing sales opportunities here. The residential construction industry, however, is plagued by limited working capital, and leasing is becoming a more popular financial mechanism.

ITALY

According to Promunidi srl, organizer of Italy's Expo Dental Fair, "The Italian dental industry is one of the most important in the world in terms of revenue, technological innovation and exports."

The Italian dental industry currently generates revenue of approximately 780 million euros (\$700 million), with two thirds of this figure represented by equipment and instruments, and one third by consumables. Exports account for 40 to 45 percent of the total amount, reaching as much as 80 percent for some products. Furthermore, the industry employs around 500,000 people in areas ranging from manufacturing to the consumer sphere.

Italian consumption of dental equipment and products is valued at \$719 million with \$204 million coming from imports. This demand is likely to be modified by recent reforms of the Italian national health system. Responsibility for health care financing is being devolved to the regions with the central government acting primarily to guarantee that all citizens are provided essential care. This should bring about further use of private practitioners (already prevalent) in the dental sector and increased competition

among dental care providers. This competition will be even more acute due to the exponential increase in graduates in dentistry in recent years.

The Italian Recycling Consortium for Waste Paper reports that in the first six months of 2001, southern Italy collected and recycled 42,000 tons of paper and paperboard, almost the total amount of paper that was recycled in 2000. It is estimated that by the end of 2002, paper recycled in the South of Italy will reach 114,000 tons. As a matter of fact, in merely 12 months, southern Italy has tripled the quantity of paper and paperboard collected and recycled, a result that brings the "Mezzogiorno" (southern Italy) closer to other areas of more developed European countries. The recycling of paper in Italy has reached the recycling objectives set forth by the Italian law known as the Ronchi decree for 1997/2001.

Italy recycles 45 percent of the paper and paperboard disposed of by consumers. This is a major achievement, especially when data indicates that from an international level, there was a drop of 30 percent in the collection and recycling of paper and paperboard. After years of large imports of waste paper for the national paper industry, in 2000, Italy exported an increasing amount of waste paper. In reducing the amount of paper and paperboard to be disposed of in landfills, Italy was also able to significantly improve the balance of trade.

SAUDI ARABIA

Since 1984, Saudi Arabia's trademark law has protected certain products and services in the marketplace. As global business extends its reach among Middle Eastern countries, trademark protection has taken on greater importance.

Registration of trademark constitutes legal title to certain intellectual property just as a deed evidences legal title to real estate. When a trademark is entered on the Trademark Register in

the Ministry of Commerce, the owner obtains exclusive use of the words, letters, numbers, symbols or other signs distinguishing the relevant product or service. This exclusive right to use the trademark in the kingdom continues for 10 years unless renewed for a similar period within the final year of registration. Failure to renew the trademark prior to its expiration requires the owner to file an entirely new application, since no grace period is allowed.

Certain products such as alcoholic beverages are not registerable, and others simply are not trademarks. Article two of the law contains a long list of those marks, which are not considered trademarks. Among them are words, which are merely descriptive, those that are of a purely religious nature, those that offend public morality, and official governmental signs and stamps identifying the Kingdom of Saudi Arabia. Naturally, any marks that are intended to mislead the public or misidentify the product or service are not registerable.

If a trademark is registered and all objections are overruled, the owner will have an unchangeable mark if he uses it for at least two consecutive years from the registration date. He may enforce his right against anyone who uses the trademark without his permission or license. Penalties include imprisonment and fines and probable damages resulting from the misuse of the trademark.

SOUTH KOREA

The South Korean government released its 2002-2006 Nuclear Energy Promotion Plan (NEPP) which outlines Korea's long term plans to build 12 additional nuclear power plants by 2015 and the budget for the development of nuclear technology. The Korean government allocated about \$150 million for nuclear R&D, an increase of 17.6 percent over last year's spending. It is believed that the budget for nuclear

R&D is still insufficient for making significant progress towards the Korean government's more ambitious long-term nuclear goals, which include operating a liquid metal breeder reactor. The majority of the budget will be funded by the nation's nuclear R&D fund, which is derived from a fraction of the earnings of the nuclear power generation, with only about \$22.4 million appropriated through the budget of the Ministry of Science and Technology (MOST).

Although a passive majority in South Korea accepts nuclear power, the NEPP also outlines several steps designed to increase public confidence in the program in an effort to mollify anti-nuclear activists. Meanwhile, the Korean government allotted an additional 18 percent in its R&D budget for advanced nuclear technologies. Korea will have a total of 28 nuclear reactors at six sites, accounting for a third of the country's generating capacity by the year 2015. Korea currently has 16 operating nuclear reactors at four sites with a total installed capacity of 13,716 MW. Of these, 12 units are equipped with pressurized water reactors, and four units are equipped with a pressurized heavy-water reactors. The 16 plants account for 28 percent of the country's total power plant capacity, and in 2001, they generated 39 percent of Korea's electricity.

INDONESIA

The demand for non-chemical and natural drugs/supplements is predicted to increase dramatically due to the success of a campaign for back-to-nature drugs by social organizations in Europe and the United States. Many Indonesian pharmaceutical companies have been producing plant-based drugs/food supplements. Some local manufacturers use Indonesian pure raw materials; however, some prefer to use imported raw materials due to higher quality standards. These bio-pharmaceutical transactions reached \$100 million in 2001 and are expected to increase this year. This indicates that more imported raw materials will be needed.

In a seminar on radiation safety in health services in Jakarta, Dr. Med Lukman Adji Saptogino of General Hospital Cipto Mangunkusumo revealed that about 80 percent of Indonesian newly installed radiology equipment malfunctioned in one or a few radiology parameters.

Generally this malfunction is detected after the first year of usage. He also mentioned that some of the radiology equipment has been used for over 10 years and never been replaced because there is no funding from the hospital management. Although the use of radiology is relatively low, there is a need to upgrade the equipment in order to minimize accidents caused by radiation leakage. According to Dr. Lukman, ideally 20 percent of the hospital's revenue should be allocated to renew the existing equipment. This represents an opportunity for U.S. companies that can provide good quality at reasonable price radiology equipment.

NEW ZEALAND

Queenstown in New Zealand's South Island is this country's most important tourism center. The town's popularity is based on the beauty of its mountain range and the many activities that have developed around the mountains like skiing. Coronet Peak and The Remarkables located near Queenstown are regarded as two of New Zealand's most important ski fields.

In May this year, Coronet Peak and The Remarkables and a third South Island ski field, Mt. Hutt near Christchurch, were sold to a local joint venture company called Southern Alpine Resort Recreation. The new managers are local businessmen with other tourism interests who believe in "plowing money back into the business to get the product right." Although facilities at Coronet Peak, The Remarkables and Mt. Hutt are currently very good, the new owners plan to invest and upgrade existing equipment. (They are already in contact with major U.S. suppliers of ski equipment for snowmaking equipment and chairlift equipment.) The company

recognizes opportunities for other U.S. businesses supplying ski equipment, specifically for snowmobiles, snowboards, and ski racing gear.

BRAZIL

The adoption of the GSM standard by Telemar and TIM, the two companies that won the bid for operation of bands D and E in Brazil, may not be followed by wireless carriers currently using the TDMA standard. Some carriers are testing the CDMA2000 1x against GSM to evaluate the best technology to be used for a future migration to 2.5 or 3G.

According to the Yankee Group, investments for wireless infrastructure will reach \$4.7 billion in Brazil by 2004 when the 3G services are expected to start operations in country. The largest portion of this amount will be dedicated to preparing existing backbones to support applications of 2.5G and 3G.

A recent survey has demonstrated that before new services are offered, the sector needs to be reorganized because the service is not generating the revenues expected by the sector.

Local carriers using the TDMA platform believe that this technology can be used for two or three more years, and they prefer to wait to make the decision. During this period they would have time to address their financial problems and make a decision considering that the competition agreement they signed with ANATEL does not allow merging or partnering with other telecom companies before the beginning of 2005.

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 e-mail, is available by calling the Trade Information Center at (800) USA-TRAD(E).