

## GLOBAL NEWS LINE

### NORWAY

**It is predicted that by 2006, 166 million people will use the Internet as their main mode of telecommunications.** Internet protocol (IP) technology transmits multimedia data through local networks or the Internet and can lead to significant cost reductions for users.

The technology is built on an industrial standard, meaning that a customer easily can switch components from one brand to another. While some countries have forbidden the use of IP phoning, Norway has opened up use of the new technology, which is expected to create opportunities for companies that provide the service or related technology.

An increasing number of Norwegian companies and organizations are operating with local IP networks and thus reducing their phone bills drastically. The technology is especially attractive for companies that operate internationally, since all phone calls within the company can be done at a fixed rate. At the same time, the number of local switchboards can be reduced. There are further cost reductions related to system maintenance, as companies can combine their phone networks with their existing IT networks. In addition to private companies, several Norwegian municipalities and hospitals have invested in IP networks. It is estimated that 50 percent of all new telecommunications purchases in Norway are IP based.

### SWEDEN

**Special diet foods for dogs and cats are a hit.** Local manufacturing and imports have doubled in two years. Swedes spent some \$260 million on dog and cat food last year.

There are approximately 1.1 million cats and 750,000 dogs registered as pets in Sweden. Pets in Sweden have definitely acquired "family member" status. Household purchasing habits

indicate a strong trend toward specially prepared and packaged pet foods.

The trend in pet food is closely linked to trends in society in general: diet products, health and lifestyle products, and ready-to-eat foods in meal-size packaging. The family cat now gets fresh food at each meal—hence the popularity of small portions in bags, which eliminate odor problems from opened tins.

Consumption of dog food increased by 7 percent, 1999–2000. Pet owners are increasingly interested in purchasing specialized foods for shiny fur, stronger teeth, or overall improvement of the pet's health.

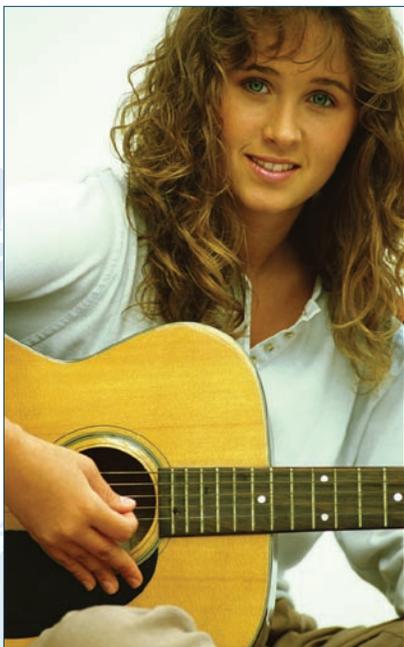
### SPAIN

**The Spanish insurance industry ended 2001 with a 2.7 percent increase in the volume of premiums.**

This increase was mainly due to the life insurance sector, which increased 15.5 percent in managed savings. Collectively, the non-life insurance sector grew 8 percent in real terms. The industry generated revenues of approximately \$42 billion, of which 54.3 percent was life insurance, and 45.7 percent other kinds of insurance. The insurance industry accounts for approximately 6.5 percent of Spain's GDP, 3.5 percent of which is life insurance.

Within non-life insurance, automobile insurance, which represents 47.4 percent of the sector, increased 13 percent to \$9 billion. Health insurance represents 15.4 percent and generated estimated revenues of \$2.9 billion, an increase of 8.2 percent. Multi-risk insurance grew 14.6 percent against the previous year, with revenues of \$2.8 billion. Changes are expected to take place in the non-life insurance





market as temporary insurance linked to loans increases.

#### ITALY

**According to recent market research conducted by Bocconi University, the musical instrument market in Italy is on the rise.** Revenue of the Italian musical instrument market in 2000 totaled €334 million (\$330 million), a 9 percent increase over 1999. This positive trend is expected to continue at an even higher rate, due to both the increasing interest in musical activities and new music education programs planned for public schools by the Ministry of Education.

Imports play a major role in this market. In fact, foreign companies dominate the Italian market; they held a 75 percent share of the musical instrument market in 2000.

American producers are considered the best for guitar products. Most of the guitars sold in Italy are imported from the United States. U.S. products have a very good reputation in this market for other instruments as well, and this puts American companies in a good position to boost sales.

American musical products enjoy a reputation of innovation, high quality, and sophisticated technology. The Italian musical instrument

market has great growth potential for U.S. companies.

#### CZECH REPUBLIC

**In 2001, more than 2 million Czechs, or 20 percent of the total Czech population, vacationed abroad.** Of these, 700,000 people used the three largest Czech travel agencies: Fischer, Cedok, and Firo Tour. Other travelers tapped the services of the remaining 1,097 travel agencies.

It is anticipated that German travel agencies will aggressively expand in the Czech travel and tourism market next year. They will probably introduce lower prices with which Czech travel agencies will not be able to compete successfully. There will be, however, a niche market for small, specialized travel agencies.

#### UKRAINE

**Experts estimate the market size of Ukrainian book publishing at \$120 million, or 80 million books per year.** The share of this market that belongs to Ukrainian publishing companies is 35 to 38 percent, or 28–30 million books. The rest of the market belongs almost exclusively to Russian importers. Sales of Russian importers of books total \$70–100 million.

There are approximately 3,000 registered publishing companies in Ukraine. However, 250 publishing companies that publish 25–27 million books a year, or 90 percent of the total, determine trends in the book publishing market. The relative share of single companies is rather small. The individual market share of each of the three biggest Ukrainian book-publishing companies does not exceed 3 percent.

The main obstacles to the development of the book publishing industry in Ukraine lie in high taxation (i.e., 20 percent VAT and high profit tax) and legislation that limits foreign ownership to a minority share not exceeding 30 percent. In the meantime, Russian importers, who enjoy a much more favorable taxation regime, are slowly taking control of the market.

Reportedly, Russian investors control 10 to 13 percent of the Ukrainian publishing industry. The Ukrainian Parliament is currently reviewing a draft law designed to support the book publishing industry by reducing tax rates and removing restrictions on foreign ownership. This draft law, when approved, will open doors for foreign investors and importers interested in this market.

#### AUSTRALIA

**The Rugby World Cup 2003 is the third-largest sporting event in the world, after the World Cup and the Olympics.** Like other large sporting events, the Rugby World Cup 2003 also is expected to bring in many business opportunities. The Rugby World Cup 2003 will continue the positive business impact of the 2000 Olympics in Sydney. The presence of the Cup in Sydney should create opportunities through access to many international businesses, their decision-makers, and a conglomeration of new industry networks.

For U.S. businesses, the Rugby World Cup 2003 will offer a temporary pool of international businesses prepared to network and make deals. Businesspeople from around the world, together with users, sellers, and resellers of a wide range of products and services, will be present during the international sports gathering. The opportunities are clear for many businesses that wish to expand market share in Australia, enter the market, or build a local business network. ■

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