

# Trade Promotion Plan for the Asia Pacific Region

FY 2005-2006

MDA

International Trade Office

Gena Lentz

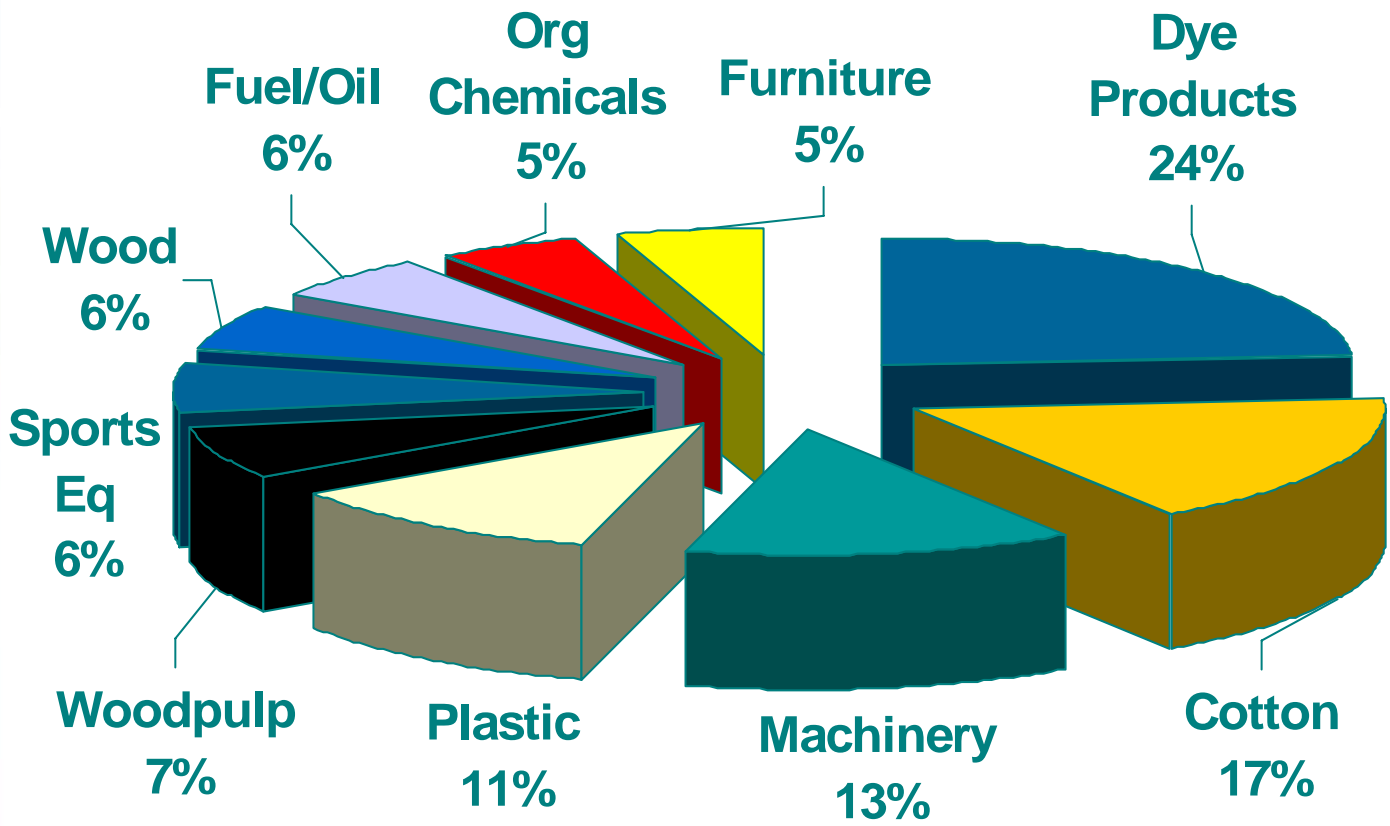


# Market Overview

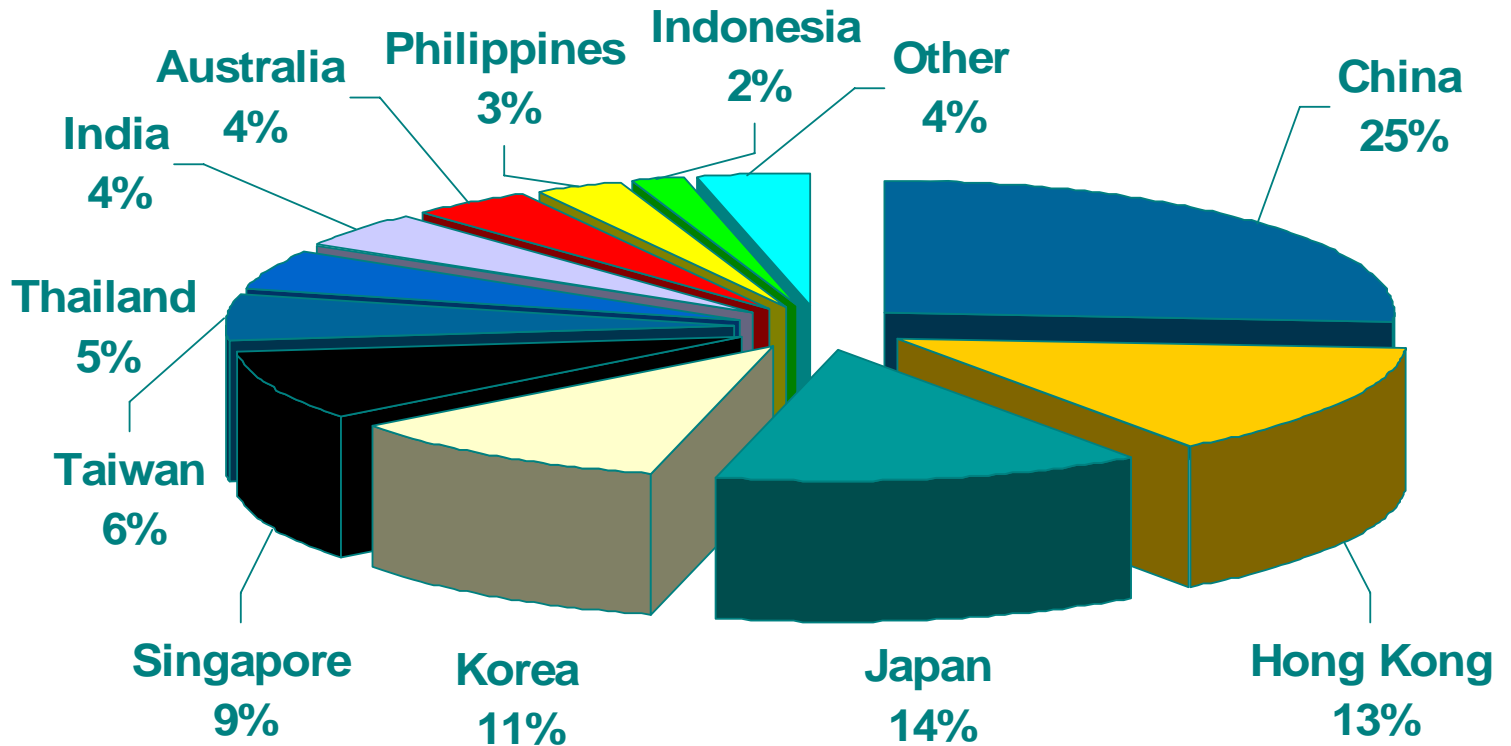
- Economic growth in East Asia grew by 7% in 2004, the strongest growth since the 1997-1998 crisis.
- Mississippi firms exported \$446 million in products to Asia in 2004.
- China continues to expand at a rapid pace-- 9.5% growth in 2004.
- The economies of East Asia are expected to grow by 6% this year.



# Mississippi's Top Industry Exports to Asia 2004



# Mississippi's Top Export Markets in Asia - 2004



# China

- Mississippi's largest export market in Asia, and our 5<sup>th</sup> largest export market overall.
- Economic growth of 9% in 2003-2004.
- In addition to major cities such as Shanghai, second tier cities including Qingdao and Dalian offer good export prospects.
- Best prospects for Mississippi:
  - Building materials
  - Wood products
  - Industrial machinery and products
  - Chemicals and other raw materials
  - Food products (poultry)

# Hong Kong

- Still a vibrant distribution hub for China.
- 8% economic growth in 2004, and 4-5% growth expected for 2005.
- Mississippi's 11th largest export market in 2004.
- Best prospects for Mississippi:
  - Food products (poultry)
  - Building materials
  - Industrial machinery and products
  - Furniture

# Taiwan

- Experienced strong economic growth in 2004 following a downturn in 2003.
- Mississippi exports grew 40% in 2004 to \$26 million.
- Entry into the World Trade Organization should enhance trade opportunities in the long term.
- Best prospects for Mississippi:
  - Chemicals
  - Industrial machinery and products
  - Building materials
  - Food products (poultry)

# Korea

- Developed market with a very traditional culture.
- Historically solid market for raw materials from Mississippi.
- GDP growth of 4.7% in 2004.
- Best prospects for Mississippi:
  - Wood pulp and wood products
  - Chemicals and other raw materials
  - Industrial products

# Japan

- Highly complex and regulated market: difficult for small and medium-sized firms.
- Traditionally a strong export market for industrial raw materials from Mississippi.
- Mississippi's 12<sup>th</sup> largest export market in 2004.
- Best prospects for Mississippi:
  - Chemicals and other raw materials
  - Furniture
  - Building materials
  - Wood pulp and wood products

# Australia and New Zealand

- Developed and open markets with a preference for U.S.-made goods.
- Language and cultural similarities make both markets attractive for new-to-export companies.
- New US-Australia Free Trade Agreement will enhance trade opportunities with Australia.
- Best prospects for Mississippi:
  - Agricultural and industrial machinery
  - Furniture
  - Building materials

# India

- Large, developing market of 1 billion people, with a growing middle class.
- Difficult market: economy remains heavily regulated and infrastructure undeveloped.
- 130% increase in Mississippi exports from 2003-2004.
- Best prospects for Mississippi:
  - Chemicals and other raw materials
  - Industrial equipment
  - Wood pulp and other wood products

# Association of Southeast Asian Nations (ASEAN) Markets

- Singapore
- Malaysia
- Thailand
- Philippines
- Indonesia
- Vietnam
- Brunei
- Myanmar (Burma)
- Cambodia
- Laos

# Singapore

- Important trading and distribution hub for the ASEAN region.
- Open market economy with few trade barriers.
- New US–Singapore Free Trade Agreement will enhance trade opportunities for Mississippi exporters.
- Mississippi's 19<sup>th</sup> largest export market in 2004.
- Best prospects for Mississippi
  - Industrial machinery
  - Chemicals
  - Building materials
  - Furniture

# Philippines

- Substantial population base of 80 million people.
- GDP accelerated by 6% in 2004, up from 4.7% in 2003.
- A key ASEAN market for Mississippi exporters.
- Best prospects for Mississippi:
  - Building materials
  - Wood products
  - Industrial and electrical machinery
  - Furniture
  - Food products

# Thailand

- Important ASEAN market of over 60 million people.
- Economic growth of 6% in 2004.
- Negotiations underway for a US-Thailand Free Trade Agreement.
- Mississippi's 2<sup>nd</sup> largest ASEAN market.
- Best prospects for Mississippi:
  - Wood products
  - Industrial and electrical machinery
  - Chemicals
  - Building materials
  - Furniture

# Malaysia

- Economic growth of 7% in 2004, up from 5% in 2003.
- Strong purchasing power and one of the highest living standards in the region.
- Stable legal system based on British law.
- Best prospects for Mississippi:
  - Building materials
  - Wood products
  - Industrial machinery and products
  - Chemicals/plastics

# Vietnam

- Large emerging market of 80 million people.
- One of the fastest growing economies in Asia.
- Mississippi exports increased 73% in 2004.
- Currently in negotiations to join the WTO.
- Best prospects for Mississippi:
  - Wood products
  - Electrical and industrial machinery
  - Chemicals

# Indonesia

- Most populous ASEAN market and world's fourth most populous nation.
- Political and economic problems have hampered trade opportunities over the last few years.
- Economic growth is promising, but still a challenging export market.
- Tsunami damage estimated at \$4.5 billion.
- Best prospects for Mississippi:
  - Wood pulp and wood products
  - Industrial machinery
  - Chemicals

# Schedule of Activities

- August 2005:
  - Governor Barbour's Business Development Trip to Asia
- September 14-17, 2005:
  - Furniture Manufacturing and Supply China, Shanghai, China
- September 19-23, 2005:
  - MDA/World Trade Center Trade Mission to China, Shanghai

- February 2006:
  - Visit to Mississippi by Paul Swenson, China Representative: Meet with companies regarding business development in China.
- February 21-24, 2006:
  - Woodmac China, Shanghai, China
- Summer 2006:
  - Educational Seminar on Importing, Tupelo, MS
- October 9-20, 2006:
  - Multi-State Catalog Show: China; Hong Kong; Kuala Lumpur, Malaysia and Bangkok, Thailand

MISSISSIPPI DEVELOPMENT AUTHORITY

MISSISSIPPI

