

LOUISIANA INTERNATIONAL TRADE BULLETIN

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June 2009

GO-EXPO TO BE HELD IN CALGARY, CANADA JUNE 9-11

The U.S. Commercial Service is organizing a **product literature center (catalog show) at GO-EXPO 2009 in Calgary, Canada** on June 9-11. GO-EXPO is **Canada's premier Oil and Gas Industry Exposition** with more than 20,000 visitors. It is one of the best ways for small and medium-size firms to gain valuable market exposure in Canada, which is the number one energy supplier to the United States, the world's third largest natural gas producer, and the seventh largest oil producer. Participation in the catalog show is US\$250. **For more details contact** Crystal Roberts, Commercial Specialist, U.S. Consulate General Calgary, Canada at Crystal.roberts@mail.doc.gov or call 403-265-2116.

LOUISIANA GULF COAST OIL EXPO IN LAFAYETTE

October is just around the corner, so don't delay in making your plans to attend the **2009 Louisiana Gulf Coast Oil Exposition (LAGCOE) in Lafayette**. The biennial show, slated for **October 27-29**, is marking its 55th year of Fueling the Global Quest for Energy. As the second largest oil and gas show in the U.S., LAGCOE draws more than 16,000 visitors from the industry. **The show is certified by the U.S. Department of Commerce as an official "International Buyer Program" event**, bringing in international buyers and U.S. Foreign Commercial Specialists from key oil producing and developing areas around the world. Don't miss this opportunity to experience the opportunities at LAGCOE, in the heart of America's energy corridor. For more information, visit www.lagcoe.com.

LE CENTRE NAMES GREMILLION INTERNATIONAL DIRECTOR

Le Centre International de Lafayette is pleased to announce the staff appointment of **Mr. Ryan Gremillion**, who will be filling the newly-created position of **International Business Director**. Ryan comes from the Tulane University School of Law with certification in Civil Law Studies, after a degree from Louisiana State University in International Trade and Finance. Le Centre is proud to have Ryan with the organization and looks forward to introducing him to the members of the regional international business community. **He can be contacted** at RGremillion@lafayetteLA.gov or at (337) 291-5487.

ST. TAMMANY FORUM ON INTERNATIONAL OPPORTUNITIES

The St. Tammany Economic Development Foundation will offer its second-quarter Business Assistance Forum at a breakfast on **Thursday, June 25** on the topic **"Expanding Business, Shrinking World."** The speakers are **Eugene Schreiber**, Managing Director of the World Trade Center of New Orleans, and **Erin Butler-Mueller**, Commercial Officer with the U.S. Department of Commerce's New Orleans Export Assistance Center. **The Forum will be held starting at 8:15 a.m. in Room 327 of Southeastern Louisiana University's St. Tammany Center**, located at 21454 Koop Drive in Mandeville. Participants will learn about the opportunities in exporting and importing. The Forum is free and open to the public, but early registration is strongly recommended as seating is limited. **For more information or reservations**, call (985) 809-7874 or email stedfinfo@stedf.org.

LOUISIANA EXPORTERS RESOURCE GUIDE

The Louisiana District Export Council is developing a **"Louisiana Exporter Resource Guide,"** a 20-page printed booklet that will outline the basics of exporting, as well as local and federal resources for companies doing international business. **Advertising sponsorships are still available**, but the deadline is fast approaching. Don't miss your chance to be seen by companies in need of your international business services and products. For more information, **contact Erin Butler-Mueller** of the New Orleans U.S. Export Assistance Center at erin.butler-mueller@mail.doc.gov or 504-589-6546.

FRANK'S CASING CREW WINS 2009 INTERNATIONAL AWARD

The International Achievement Award **honors a company, organization or person who has positively impacted Acadiana's international reputation** through economic development, culture, or goodwill. The International Trade Development Group is pleased to announce that **Frank's Casing Crew and Rental Tools was named the recipient of the 2009 International Achievement Award**. Frank's is headquartered in Lafayette with branches in 53 countries and six continents. Over the course of the last 71 years, Frank's has grown to be the largest casing crew provider in the world, with approximately 3,000 global employees. Currently, **revenues stemming from international business account for roughly half of Frank's total earnings**, which were in excess of \$87 million in 2007.

U. S. TRADE REPRESENTATIVE KIRK OUTLINES TRADE POLICY AGENDA

In a May 18 speech to the U.S. Chamber of Commerce, in Washington, D.C., **U.S. Trade Representative Ron Kirk indicated that the Obama administration is moving forward on a number of trade policy efforts of interest to the business community.** He emphasized the importance of trade to the nation's economic well-being and called on participants on both sides of the trade policy debate to work together to generate new opportunities. **The following summary of Amb. Kirk's prepared remarks is reprinted from WorldTradeINTERACTIVE with the permission of Sandler, Travis, & Rosenberg, P.A.** The full text is available at www.ustr.gov.

Pending FTAs - Amb. Kirk pointed out that trade "can be a major boon to American companies and workers, and to the country as a whole," and that opening additional markets is one of the best ways to help U.S. businesses grow. This, he said, is the reason the Obama administration is working to implement pending free trade agreements as well as seeking new opportunities to open significant markets in the future.

- **Panama** - "It's no secret that we've been working very hard with the Panamanian government in recent weeks" to resolve outstanding labor and international tax issues so that the U.S.-Panama FTA can be sent to Congress for consideration. Kirk emphasized that many of Panama's products already enjoy duty-free access to the U.S. market and that the FTA will give U.S. farmers, ranchers, manufacturers, producers and workers reciprocal access to consumers in Panama.

- **Colombia** - A thorough review of the Colombia FTA and efforts to find a way forward, as directed by President Obama, are "actively in progress."

- **Korea** - Amb. Kirk met with Korean officials recently and "had a very candid and productive discussion about the domestic political concerns that must be addressed in both our countries so that we can proceed" with legislation to implement the U.S.-Korea FTA.

Doha Round - Amb. Kirk said the Obama administration's review of the Doha Round has included "a close look at what's been achieved, a distillation of the outstanding issues, and ongoing discussions with our trading partners to gain their perspective as well." He indicated that this administration, like the one before it, defines success in the Doha Round negotiations as "a balanced and ambitious agreement with meaningful market access gains for all involved." He emphasized that the U.S. does not intend to "discard the hard work that's been done" over the eight years of negotiation and instead wants to "build on the progress that we've made," but he also highlighted the need to "think about new paths to address remaining issues." He also repeated the call for more leadership from advanced developing countries such as China, India, Brazil and South Africa but added that "all 153 WTO members should be willing to consider adjustments to help put the negotiations on a more direct path to success."

Asia - Amb. Kirk stated that more effective engagement with Asia will be a key component of the Obama administration's outlook on trade but suggested that the bulk of this effort will await the conclusion of the pending FTAs and the Doha Round. He noted that the value of U.S. trade with Asia has

tripled over the past 15 years and said one of his goals is to "take a robust look at U.S. trade policy" toward this region. A Reuters article cited Kirk as saying that "at a minimum" the U.S. will "pick up" the Trans-Pacific Partnership, which could eventually result in a free trade area among the U.S., Chile, New Zealand, Singapore, Brunei, Australia, Peru and Vietnam, but according to *Inside US Trade* no formal administration decision to re-engage in the TPP talks has yet been made.

Trade Policy - Initiatives like those outlined above offer substantial potential benefits to U.S. businesses and workers, but Amb. Kirk warned that "it won't matter how hard we try to craft a new international trade agenda if squabbles here at home just bog it down." He called on "both sides of the trade debate in this country" to "stop the name-calling that keeps us divided on trade," stating that "reflexive labeling of foes as either protectionists or anti-worker does little to foster the discussion of genuine concerns that need to be considered and addressed if we are to move forward successfully." Instead, he said, "it's time to lay down our arms, come out of our bunkers, and start supporting important initiatives on their merits, not reject them for tradition's sake."

LE CENTRE TO HOST SEMINARS IN THE FALL

Le Centre International de Lafayette has announced that it will be hosting a series of seminars, luncheons and panel discussions that will focus on various International Trade issues, such as international agreements, financing and accounting, and credit insurance. Dates and times have yet to be determined. **Information on Le Centre and its activities is available at www.lafayettegov.net**

LOCAL ATTORNEY APPOINTED TO NAFTA TRADE PANEL

Edward T. Hayes, a partner at Leake & Andersson, L.L.P. in New Orleans, **was recently appointed** by the Office of the U.S. Trade Representative to the roster of international panelists eligible to **adjudicate trade disputes under Chapter 19 of the North American Free Trade Agreement (NAFTA)**. Chapter 19 allows NAFTA members to seek binational panel review of antidumping/countervailing duty decisions in lieu of national judicial review of final administrative determinations. Mr. Hayes joins a select list of eligible panelists qualified to serve on NAFTA Chapter 19 adjudicative panels.

The *Louisiana International Trade Bulletin* is a monthly partnership publication of Louisiana Economic Development, the New Orleans U.S. Export Assistance Center, and the World Trade Center of New Orleans. The *Bulletin* is posted on the WTC's website at www.wtcno.org and sent by e-mail at no charge to subscribers who have an interest in international trade. Information in the *Bulletin* is gathered from sources considered to be reliable, but the completeness and accuracy of the information cannot be guaranteed. Requests for e-mail subscriptions should be directed to:

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LOUISIANA EXPORTS DECLINE BUT STATE MOVES UP IN RANK

Feeling the effects of the global recession and declining agricultural and oil prices, **Louisiana's worldwide merchandise exports declined sharply in value in the first quarter of 2009 compared to one year earlier**, according to a report issued by the World Trade Center of New Orleans. This follows a record-breaking year in 2008 with exports from the state reaching nearly \$42 billion.

Louisiana's total export shipments for January-March 2009 declined 33.5 percent to \$7.6 billion, compared to the first three months of 2008, while total U.S. exports dropped by 22.5 percent, according to the WTC report. However, even with its lower exports for the January-March period, **Louisiana moved up to 7th in the state rankings from 9th place for all of 2008.**

The decrease in total vessel weight for Louisiana's exports for the first quarter of 2009 was 16.5 percent, compared to the first three months of last year, while total U.S. exports in tonnage registered an 11.1 percent decline.

Agricultural products (\$3.7 billion, a fall of 27.8 percent); **petroleum** and coal products (\$1.22 billion, a 50.7 percent decline); **chemicals** (\$1.2 billion; a 27 percent decline); and **processed foods** (\$577 million, a 48.4 percent decline) ranked as Louisiana's top exports for the January-March 2009 period.

"The full lag effect of the worldwide downturn is now hitting Louisiana's exports across the board, and especially agriculture, petroleum, and chemical products. We're hopeful that the gradual recovery that appears to be starting in China and some other countries will eventually spread worldwide," **said Larry Collins, Director of International Services with Louisiana Economic Development.**

Louisiana's principal export markets for the first three months of 2009 were China, Japan and Mexico. The state's shipments to China actually increased 19.5 percent, reaching \$1.5 billion in the first quarter as exports to almost all other major markets declined.

"The recent gradual rise in oil prices may generate export opportunities for Louisiana suppliers of oilfield services and equipment," said **Donald van de Werken**, Director of the New Orleans U.S. Export Assistance Center. "For example, 18 large foreign delegations traveled to Houston a few weeks ago for the Offshore Technology Conference seeking relationships with U.S. suppliers of oilfield services, equipment, and technology."

The WTC report was generated by the World Institute of Strategic Economic Research (WISER) from U.S. Census Bureau data. It covers the exports of both Louisiana-originating products and some major commingled bulk commodities (especially grain and coal) that are produced in other states, shipped abroad from Louisiana's ports, and recorded as Louisiana exports because of the difficulty of identifying the actual states of origin.

Louisiana Exports by Country (US \$, NAICS Database)

Description	Q1 2008 YTD	Q1 2009 YTD	% 2008-2009
TOTAL ALL COUNTRIES	11,461,066,836	7,627,805,734	-33.45
1 China	1,263,716,981	1,510,514,040	19.53
2 Japan	740,989,431	593,579,727	-19.89
3 Mexico	747,203,483	448,737,433	-39.94
4 Canada	573,456,483	411,308,571	-28.15
5 Netherlands	716,358,096	358,213,087	-50
6 Egypt	520,553,005	307,834,706	-40.86
7 South Korea	411,943,725	257,320,280	-37.54
8 Taiwan	40,875,309	209,998,740	413.75
9 Venezuela	244,589,245	193,570,573	-20.86
10 Belgium	172,578,785	191,192,240	10.79

Louisiana Exports by Industry (US \$, NAICS Database)

Description	Q1 2008 YTD	Q1 2009 YTD	%2008-2009
TOTAL ALL INDUSTRIES	11,461,066,836	7,627,805,734	-33.45
1 Agricultural Products	5,105,946,560	3,689,051,673	-27.75
2 Petroleum And Coal Products	2,479,709,400	1,222,024,681	-50.72
3 Chemicals	1,637,762,132	1,203,252,962	-26.53
4 Food And Kindred Products	1,116,434,385	576,608,565	-48.35
5 Machinery, Except Electrical	242,064,987	230,010,245	-4.98
6 Transportation Equipment	174,774,623	118,327,622	-32.3
7 Minerals And Ores	84,334,517	95,595,827	13.35
8 Primary Metal Manufacturing	64,498,554	74,240,360	15.1
9 Fabricated Metal Products, Nesoi	67,900,562	57,432,947	-15.42
10 Paper	99,679,140	55,239,175	-44.58

U.S. Exports by State (US \$, NAICS Database)

Description	Q1 2008 YTD	Q2 2009 YTD	%2008-2009
TOTAL ALL STATES	317,394,777,619	246,770,227,737	-22.25
1 Texas	46,364,997,377	36,375,575,155	-21.55
2 California	34,812,370,448	27,631,282,694	-20.63
3 New York	20,620,930,391	13,833,182,480	-39.92
4 Washington	18,434,797,576	12,346,090,883	-33.03
5 Florida	12,088,478,806	11,354,550,622	-6.07
6 Illinois	12,630,977,600	10,424,951,435	-17.47
7 LOUISIANA	11,461,066,836	7,627,805,734	-33.45
8 Ohio	10,491,209,075	7,587,855,078	-27.67
9 Pennsylvania	8,073,890,459	6,885,382,074	-14.72
10 Michigan	10,946,838,794	6,778,359,807	-38.08

Data provided by World Institute for Strategic Economic Research (WISER) from U.S. Census Bureau, Foreign Trade Division. All data Origin of Movement Series. HS databased. For full reports, visit the WTC website at www.wtcno.org/tradestats

"This is an opportune time for Louisiana companies to become engaged in exporting or importing as the U.S. and other markets bottom out and begin to recover," **said Eugene Schreiber, Managing Director of the World Trade Center.**

The accompanying three charts summarize the above data. Trade reports that provide information on 32 industry categories of Louisiana exports (NAICS) and 97 commodities (HS) to more than 200 countries worldwide, as well as export totals of other U.S. states, are available on the WTC's website at www.wtcno.org/tradestats.

AEROMEXICO TO START NON-STOP FLIGHTS FROM NEW ORLEANS TO MEXICO CITY ON JULY 7

Bringing international service back to New Orleans beginning on July 7, AeroMexico airline plans to provide six weekly non-stop flights on Sunday to Friday between New Orleans and Mexico City with convenient connecting service to San Pedro Sula, Honduras.

Frank Galan, Vice President of the U.S. Division, said “AeroMexico is moving forward as scheduled to add this important route to our North American operations. We have met again with city and airport officials in New Orleans and all agree these flights are vitally important and are needed now. This route will be the fastest way to travel between New Orleans, Mexico City and Honduras, which will make it much more convenient for people to visit family and friends, take vacations and conduct business between these markets.

“We are also confident that it is a good time to travel. Both the Centers for Disease Control and Prevention and the World Health Organization see no reason for international travel restrictions related to the H1N1/swine flu since this recent health situation is being addressed effectively,” he said. “Because the safety of the traveling public is AeroMexico’s

top priority at all times, our airline also has comprehensive procedures in place for their well being.”

The airline believes that significant market demand exists for the route due to expanding business, cultural and tourism ties between these markets and New Orleans’ reemergence following Hurricane Katrina. Market demand in the greater New Orleans area for these flights is also increasing because the Hispanic population in New Orleans, which now approaches 250,000, is the fastest growing of any major U.S. city. The area also has one of the largest Honduran populations, estimated at more than 80,000, in the United States.

Economic ties between these markets are also expanding and will benefit from this new airline service, according to Greater New Orleans Inc., the region’s economic development organization. Additionally, the Mexico Tourism Board and the New Orleans Metropolitan Convention & Visitors Bureau are eager to pursue increased international tourism opportunities that this new airline service will create.

Additional information is available at www.aeromexico.com or 1-800-237-6639.