



TradeView

A Kentucky World Trade Center Publication

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New Business Opportunities in China and Hong Kong

On February 22, 2002, Frost Brown Todd's International Update Series lunch program provided an update on new business opportunities in Hong Kong and China resulting from China's recent accession to the World Trade Organization (WTO). The featured speaker was Raymond Fan, Director of the Hong Kong Economic and Trade Office in New York, who interacted with his live audience in Lexington, and by videoconference with attendees in Louisville and Cincinnati.

Mr. Fan contended that China's WTO membership is resulting in an expanded and more critical role for Hong Kong. Already the largest investor in China and the facilitator of one quarter of China's trade flows, Hong Kong will be an even more vital partner for U.S. firms as the natural entry channel into the Chinese market. Mr. Fan stressed that it is difficult for any over-

seas company to take on the entire Chinese market of 1.3 billion people. Furthermore, China's business environment still presents some major challenges for foreign businesses, including a currency that is not yet convertible, a still immature legal system, and a lack of transparency in business transactions.

He recommended that, in addition to focusing on specific market niches and competitive advantage, U.S. companies effectively utilize Hong Kong as a conduit to China. While Hong Kong offers no special government assistance or tax breaks for foreign companies, it offers a low 16% corporate tax rate and an open, stable economic and political environment, with the highest per capita purchase of U.S. goods (\$2,028 per annum) of any country in the world. According to Mr. Fan, U.S. businesses now have a greater opportunity than ever to develop their presence in the China market, and to increase their exports to China even without a local office.

Additional photos on page S4



Greg Mitchell, Frost Brown Todd, Raymond Fan, Director, Hong Kong Economic & Trade Office in N.Y., and Ying Juan Rogers, Kentucky World Trade Center.

Key Facts - China's WTO Entry

- * Average Chinese tariffs will be reduced from 24% to 9% by 2005.
- * Internal import quotas and licenses will be abolished.
- * Up to 49% foreign ownership in telecommunication companies will be permitted.
- * Foreign Banks will be treated the same as domestic banks.



You are invited to WORLD TRADE DAY 2002

Lexington, April 24-25, 2002

Join us for Kentucky's 10th annual World Trade Day luncheon and trade fair - the state's largest gathering of international trade and business professionals! Meet with foreign trade representatives from around the world and network with over 300 Kentucky business and industry representatives as we pay tribute to Kentucky companies who have achieved outstanding success in international trade during the past year.

WORLD TRADE DAY PROGRAM

April 24th (Keeneland)

- * A day of horse racing excitement with visiting foreign trade representatives.

April 25th (RadissonPlaza Hotel, Lexington)

- * "Tour the World" International Dignitary Trade Fair
Learn about trends and opportunities in global markets through one-on-one sessions with visiting foreign trade representatives.
- * International Service Provider Trade Show
Featuring companies such as freight forwarders and attorneys who specialize in international trade services to help your company succeed in overseas markets.
- * The KWTC Annual World Trade Success Awards Luncheon honoring firms for outstanding achievements in international trade, with keynote address.

2001 World Trade Success Award Winners: Alltech, Greenebaum, Doll & McDonald, Hitachi Automotive Products, Papa John's International

Keynote Speaker: Herb Ouida, Vice President, World Trade Centers Association in New York City. He will address the September 11th tragedy and its effects on international trade.

Call the KWTC at 800-233-5982 to register your attendance today!

The Impact of the Euro Changeover

On February 26 and 27, 2002, in Louisville and Lexington respectively, the KWTC held breakfast roundtable events focusing on the impact of the changeover to the euro in the European Union. The speakers were Steve Olson of Bank One, and Robert Brown and Eric Cornett of Greenebaum, Doll & McDonald. The program was sponsored by Bank One, and Greenebaum, Doll & McDonald provided the venues.

Highlights of the Presentation:

- * The euro extends and consolidates Europe's single market.
- * The euro eliminates transaction costs and currency transactions in the euro zone.

- * Euro consolidation is expected to advance trade and investment flows.
- * Important contractual and transactions-related issues requiring attention include termination, benchmarks, payment, equities, securities law, price differences, competition, and taxation.

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The Impact of the Euro Changeover

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- * Major transitional issues still need to be resolved:
 - o Member countries have now lost their own monetary policy, have to deal with political and tax integration, and are facing growth/ inflation disparity.
 - o The European Central Bank has new credibility challenges as it transfers all operations to the euro, while only having the authority to mandate price stability, not growth.
- * Euro consolidation is expected to streamline transactions, advance trade and investment flows, and lead to productivity gains for corporations.



Participants take notes at the February roundtable program about the EU's transition to the Euro, hosted by the KWTC.



Key Euro Facts

- * The twelve EU member countries participating in the Economic and Monetary Union (EMU) include: Austria, Belgium, Finland, France, Germany, Greece, Italy, Ireland, Luxembourg, the Netherlands, Spain, and Portugal.
- * EU countries currently not in the EMU: Denmark, Sweden, and the United Kingdom.
- * January 1, 1999: Euro established as an accounting currency.
- * January 1, 2002: Euro becomes official legal tender of participating countries.
- * February 28, 2002: National notes and coins of the twelve euro zone member states permanently withdrawn and replaced by the euro.



Bank One's Steven Olson explains the corporate financial implications of the Euro transition.

Left: Robert Brown with Greenebaum, Doll & McDonald discusses the critical legal issues resulting from the Euro changeover.

Trade Leads

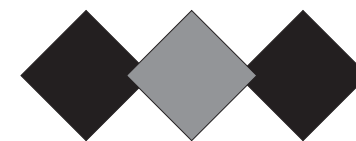
Seeking to Buy U.S. Construction Related Products

We are looking for U.S. manufacturers with construction related products who are interested in exporting to Hungary. We are a Canadian-based trading company with a Hungarian representative office and distributors.

Please contact:

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Web: www.geocities.com/rinyatrade

Trade Leads are reprints of trade opportunities posted by foreign World Trade Centers and various trade publications. The KWTC is not responsible for the accuracy of their content or the business practices of the companies listed.



Meet with Country Representatives at World Trade Day!

The KWTC is offering you the unique opportunity to meet face to face with the country representative of your choice! We will host official trade representatives from over 13 countries at our World Trade Day 2002 conference on April 25th at the Radisson Hotel in downtown Lexington.

Country representatives from foreign Consulates, Embassies and Trade Agencies throughout the United States will travel to Kentucky to meet with companies who are interested in doing business with their country. Their goal will be to facilitate and promote both the purchase of their country's products and corporate investment opportunities.

The KWTC is currently taking requests for one-on-one meetings with the country representatives. These meetings will take place between 10:00am - 11:15am in the second floor Ballroom. All meetings will be based upon the availability of the official and the order in which we receive requests.

Representatives from the following countries have confirmed their attendance thus far:

Austria	Japan	Switzerland
Canada	Korea	Taiwan
Germany	Malaysia	Thailand
Hong Kong	Mexico	Turkey
Israel	Netherlands	United Kingdom

To schedule meetings or for an updated list of attending dignitaries, please contact KWTC Trade Specialist Susan Cook at 502-574-1514 or by e-mail at scook@louky.org.



KENTUCKY WORLD TRADE CENTER

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BRS Update: International Legal Services

You Don't Have to Go to New York to Find World Class International Business Services!

Service providers can benefit from KWTC membership by participating in the organization's Business Referral Service (BRS) program, through which services are promoted to KWTC members. The BRS Update, which profiles different categories of service providers in each issue, is just one aspect of the BRS program.

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The Carrithers Law Office specializes in patent, trademark, copyright and unfair competition law.

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Greenebaum Doll & McDonald PLLC is recognized as having extensive expertise in both domestic and international business practice. Through more than 150 attorneys, the firm provides legal counsel to numerous foreign clients doing business in the U.S. as well as U.S. based firms engaging in international commerce. The international practice group includes attorneys from the firm's tax, corporate, litigation, environmental, minerals, equine, finance, real estate and immigration teams enabling the firm to provide clients with comprehensive counsel.

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Legal counsel to companies engaged in international commerce including: (a) Foreign corporations interested in doing business in the U.S. and Kentucky (b) Businesses with import and export requirements (c) Corporations engaged in joint ventures in government controlled economies such as China. The firm serves as general counsel for the Kentucky World Trade Center. James W. Gardner has been an adjunct professor of International Business Transactions at the University of Kentucky Law School.

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Specializes in patent/ trademark/ copyright and related legal matters. Associates in every major foreign country to assist in obtaining full worldwide rights for clients. Searches are conducted to determine patentability of an invention and availability of a trademark/ servicemark for use and registration. Preparation and prosecution of patent/trademark/copyright registration applications is a specialty. The firm is experienced in counseling infringement and unfair competition matters. Contracts for exploiting these property rights will be prepared and negotiated.

MIDDLETON REUTLINGER
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Middleton Reutlinger is a 150-year old law firm which represents domestic businesses abroad and foreign businesses in the United States. Middleton Reutlinger's area of concentration include corporate law, complex litigation, antitrust and trade regulation law, patent and intellectual property law, and tax law.

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Legal services specializing in corporate and trade matters.

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Woodward, Hobson & Fulton LLP was founded in 1917, and has now grown to more than 50 attorneys. With offices in Louisville and Lexington, the firm serves the entire state of Kentucky and represents numerous companies, insurance carriers and individuals in civil litigation and business matters. Applying advanced law firm management and cost containment techniques, the firm is economically positioned to provide clients the highest value at the lowest cost.

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Wyatt, Tarrant & Combs LLP is a full-service law firm with offices in Kentucky, Indiana and Tennessee. We offer an array of international legal advice and practical business experience. We assist U.S. businesses in their foreign activities and foreign companies which seek to conduct business in the U.S. The firm is a charter member of Lex Mundi, the world's largest association of 150 independent leading law firms. Lex Mundi correspondent firms can provide prompt and efficient advice for our clients on particular questions of foreign law.

**SUBMIT YOUR
 NOMINATION FOR
 'BOOK OF HONOR'
 CANDIDATES!**

Help us pay tribute to the KWTC's first "Book of Honor" recipient, an individual or organization who best exemplifies the goal of all World Trade Centers worldwide - using international trade as a vehicle for promoting stability and peace throughout the world!

The inaugural WTCA (World Trade Centers Association) Day will take place at World Trade Centers around the world on June 12th. The event will celebrate the global network of World Trade Centers, and will highlight the achievements of those chosen for this award. The winners will also have their names recorded in "The Book of Honor," to be published through the WTCA headquarters in New York.

The KWTC will accept nominations for potential honorees from the state of Kentucky through April 29th. To submit a nomination, please contact the KWTC at 502-574-2400 or via e-mail at ideclive@louky.org.



**World Trade Centers
 Association**

MARK YOUR CALENDAR!

Fax Your Upcoming Events to Susan Cook at 502-574-1585!

DATE	LOCATION	EVENT	SPONSORED BY	VENUE	CONTACT
April 10-14	Louisville	'Community Language Bank' Training Training for bi-lingual interpreters who wish to be part of the database of Louisville interpreters and translators.	Mayor's Office of International & Cultural Affairs		Anita Neal at 502-574-1457
April 11	New Albany, IN	Impressions of Saudi Arabia Speaker: Gary Pinkston, who lived in Saudi Arabia for 10 years		Indiana University Southeast 12:30 pm - 1:15 pm	Deborah Finkel at 812-941-2668
April 15-17	Bowling Green	Global Automotive Conference 2002 Conference Theme: Benchmarking	Hosted By: Office of Global Business & Entrepreneurship, Western Kentucky University	University Plaza Hotel & Convention Center	Drucilla Belcher at 877-604-8971
April 25	Lexington	World Trade Day 2002 Join us for Kentucky's largest international trade event! Meet with foreign dignitaries from around the world and network with over 300 Kentucky international manufacturing and service firm representatives as we present World Trade Success Awards to Kentucky companies.	Kentucky World Trade Center	Radisson Hotel, Downtown Lexington	Kentucky World Trade Center at 800-233-5982
May 15	Louisville	Immigration Update: Current developments in U.S. immigration law & policy after September 11th	Mayor's Office for International & Cultural Affairs	KY International Convention Center 3:30 - 5:00 p.m.	Anita Neal at 502-574-1443
June 12	Louisville	World Trade Centers Association Day Celebration	Hosted By: Kentucky World Trade Center		Kentucky World Trade Center at 800-233-5982
June 25	Georgetown	Business After Hours	Georgetown Chamber of Commerce, Kentucky World Trade Center	KWTC Lexington Office 5:00 - 6:30 p.m.	Kentucky World Trade Center at 800-233-5982

Dear Trader

Dear Trader,

My company exports small tractors from the United States to countries in Eastern Europe, where they are sold at a fraction of the U.S. price. Recently, we learned that a U.S. importer has been purchasing our tractors from a distributor in Eastern Europe, bringing them back to the U.S. and selling them well below our current U.S. prices. Is there anything we can do to stop them?

- Duel Pricing

Dear Duel,

Gray-market importers, also called parallel importers, buy products abroad of the same brand name as products sold in the United States, but which are offered at a lower price than their U.S. counterparts, and then sell them in the U.S. without the manufacturer's authorization. These importers make their profit from the difference between the two prices, often undercutting the manufacturer.

Concerns over trademark law have surrounded the gray market. Manufacturers say the gray market erodes their investment in their trademarks by giving consumers a product which may be different from the one they expect, or which may be handled or stored improperly. For various reasons, companies often make one version of a product for domestic sale, and another for foreign sales. Thus, a consumer in the U.S. who buys a version of a product intended for distribution abroad, may end up confused, disappointed or even injured, hurting the company's investment in its trademark.

Courts have usually ruled that gray-market goods are legal when they are identical to the product intended for U.S. distribution, but illegal when the product's U.S.-authorized and foreign-authorized versions are different. This difference must be 'material,' or one that an ordinary consumer would take into account in choosing the product.

A federal appeals court in December 1999, however, left open the possibility that traders of gray-market goods

could avoid legal problems by using permanent labels advising consumers of the goods' origin and nature - making it clear that they are different from the products authorized for U.S. sale.

For more information on your legal rights in this matter, and possible exceptions to these rulings, we recommend legal counsel. For a list of legal firms in Kentucky offering international services, please see the 'BRS Update' article in this issue or contact the KWTC at 800-233-KWTC.

New Business Opportunities in China and Hong Kong

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L to R: Greg Mitchell, guest speaker Raymond Fan and Ying Juan Rogers enjoy lunch at the WTO program sponsored by Frost Brown Todd.



Raymond Fan, Director, Hong Kong Economic & Trade Office in N.Y., discusses new opportunities for U.S. companies in China with WTO program attendees.



KWTC

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