# **Export Promotion and Strategies**

U.S. companies seeking to export or enter new markets have a wide variety of programs and services available from several government departments and agencies. The following information is a brief description of some of these programs. More information can be found from the resources portion of this report (Addendum 2) and on <u>www.export.gov</u> under "Federal Partners".

#### **Trade Shows**

Business to business (B2B) activities like trade shows play a critical role in facilitating networking opportunities, marketing, and sales. Trade promotion efforts at these events frequently focus on B2B matchmaking for potential customers, distributors, licensing agents, and other stakeholders. Many government agencies participate in trade shows in order to assist companies and strengthen their own partnerships with industry and foreign counterparts. The Commerce Department and U.S. Pavilion organizers facilitate introductions to foreign buyers and often provide matchmaking services on the show floor. Major aerospace trade shows allow for unique opportunities that can save companies time and money in generating new business. Companies who are new to international markets can benefit by exhibiting in U.S. pavilions and/or aligning themselves with key exhibiting defense contractors with whom they have an existing relationship.

After identifying the best market and correlating trade show, companies must prepare marketing materials and promotions, and arrange meetings in advance, in order to get the most benefit from the show. Companies should also examine best sales channels, on-going management, marketing and sales support for partners. Again, Commerce Department programs and resources are available to help with these activities, and are listed at the end of this report and in upcoming sections.

#### **Coordinated Interagency Effort**

As part of a synchronized effort, the Department of Commerce works closely with other departments and agencies at trade shows to better collaborate, coordinate, support, and facilitate responsible aerospace and defense opportunities for U.S. companies. Partnering organizations include numerous components of the Department of Defense, such as the Office of the Under Secretary for Acquisition, Technology & Logistics (AT&L), DSCA, DTSA, and the military branches, as well as the Department of State. DOC's International Trade Administration often exhibits at many of the aerospace & defense trade shows. A representative list of some trade shows that U.S. Government officials will be attending is included in Addendum 1.

#### Webinars

Prior to trade shows, ITA frequently organizes a webinar or a series of webinars to educate companies on key growth markets, trends, opportunities, and other pertinent topics related to a given show. About 20-30 webinars are organized by ITA each year and many are free! Companies benefit by gaining additional market intelligence and better understanding of the market. More information about ITA webinar series can be found on the DOC country webpage of interest, such as http://2016.export.gov/unitedkingdom/. Webinars and other activities will be listed in the "What's New" section or email <u>laurie.hays@trade.gov</u> for further assistance.

#### **Trade Missions**

Department of Commerce trade missions are overseas programs for U.S. firms that wish to explore and pursue export opportunities by meeting directly with potential clients in foreign markets. Trade missions often include: one-on-one meetings with foreign industry executives and government officials that are pre-screened to match specific business objectives, whether for representation, direct sales or joint ventures in the local market. DOC also certifies trade missions that are organized by state and private sector organizations and hosted by DOC's Commercial Service overseas offices.

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#### Associations

Becoming a member of an aerospace or defense trade association can bring a company closer to customers, potential customers, partners, suppliers and competitors. Numerous events, services, and other resources offered can allow companies to maximize networking opportunities for potential business development and gain technical know-how in a complex and highly regulated market. Associations can also be an excellent data source with in-house market research and newsletters, which are often published only for members.

# **Department of Commerce (DOC)**

#### International Trade Administration (ITA)

Companies are strongly encouraged to use export development services provided by the U.S. Department of Commerce. ITA includes local experts, industry experts, and country experts to assist companies seeking to export.

#### Industry and Analysis (I&A)

To increase defense trade exports and promotion efforts, the Office of Transportation and Machinery (OTM) conducts defense industry outreach and trade promotion, and helps U.S. defense exporters address challenges and trade barriers.

In particular, <u>The Aerospace Team</u> (a part of OTM) is staffed by experts in various aerospace sectors, such as defense, space vehicles, unmanned systems, general aviation aircraft, military aircraft, large civil aircraft, helicopters, and aircraft parts. The team seeks to create or maintain access to markets overseas for U.S. aerospace and defense exporters. For additional information such as the <u>Defense</u> <u>Market Report, other aerospace reports, or further</u> <u>assistance, please click here.</u>

#### The U.S. Commercial Service

The <u>Commercial Services operates U.S. Export</u> <u>Assistance Centers (USEACs)</u> throughout the United States to help companies on a local level, as well as country desk officers who can guide companies seeking resources within a specific industry or country.

With a robust overseas network of Commercial Officers and Commercial Specialists who can assist with finding potential customers, agents, distributors, and other strategic overseas partners, the **U.S. Foreign Commercial Service** is available to all U.S. defense manufacturing companies wishing to take the next step in entering foreign markets. Specialists can also help U.S. companies with market research, aerospace trade leads and trade events.

Key services such as the <u>International Partner Search</u> (IPS) help exporters find potential agents, distributors or other companies without leaving the United States. A large group of potential partners in a given country of interest will be contacted using marketing materials provided by a company, and then DOC will identify the companies that are interested and capable of becoming a viable representative in the country of interest. The <u>Gold</u> <u>Key Service (GKS)</u> offers a variety of services, including customized market and industry briefings with trade specialists, and appointments with prospective trade partners in key industry sectors to help companies address critical market information needs and expand potential sales.

The Aerospace and Defense home page, produced by the ITA Global Aerospace team, is an excellent launching pad for information on ITA's trade promotion resources for exporters of defense articles, aircraft parts and other aerospace products. <u>Click here for a list of International U.S. Commercial</u> <u>Service Offices</u>.

**ITA's Market Development Cooperator Program** (**MDCP**) provides technical and financial assistance to trade associations and other organizations to promote U.S. exports with the aim of creating jobs for American workers. ITA's financial contribution is met on a two-to-one basis by the MDCP partner, including "in-kind" contributions. ITA has two current partnerships related to the promotion of aerospace and defense exports. <u>For more</u> <u>information on the MDCP program, click here</u>.

#### The Advocacy Center

If a U.S. company is selling to a foreign government or government controlled entity, official U.S. Government advocacy could help in the process. The Advocacy Center (AC) helps to ensure that U.S. products and services have the best possible chance of winning when competing abroad. The office's mission is to coordinate U.S. Government resources to level the playing field on behalf of U.S. business interests in order to help create and retain U.S. jobs through exports.

The AC works closely with the U.S. Commercial Service network of domestic Export Assistance Centers and Commercial Offices within U.S. diplomatic missions overseas, industry experts within ITA, and key offices at the Departments of Defense and State, among others.

For additional information about how to become eligible for advocacy, click the link below. http://www.export.gov/advocacy/

#### DOC's Bureau of Industry and Security (BIS)

All exporters must comply with U.S. export control regulations and have an understanding of which agency [DOC's BIS or the State Department's Directorate of Defense Trade Controls (DDTC)], has jurisdiction over the licensing for a given product or service. For more information, access to decision tree tools, guidance, and licensing regulations under **the Export Administration Regulation (EAR),** go to the following link: <u>http://www.bis.doc.gov/</u>

All new exporters are strongly encouraged to attend training on export controls. For more information on Export Controls/EAR training and a seminar schedule, go to the "Export Control Reform" icon in the main website listed above.

# Addendum 1: Major Aerospace and Defense Trade Shows

Following is a representative list of aerospace and defense shows. Most major tradeshows and airshows, such as Farnborough and the Paris Air Show, operate on a two-year cycle, although some variations occur.

PARIS AIR SHOW Venue: Paris, France http://www.siae.fr/en/

SINGAPORE AIR SHOW Venue: Singapore https://www.singaporeairshow.com/

EUROSATORY Venue: Paris, France http://www.eurosatory.com/

# FARNBOROUGH INTERNATIONAL AIR SHOW Venue: Farnborough, England

http://www.farnborough.com

DEFENSE EXPO KOREA (DX KOREA) Venue: Seoul, Korea http://www.export.gov/eac/show\_detail\_trade\_events.asp

IDEX 2017 Venue: Abu Dhabi, UAE http://www.idexuae.ae/

AVALON 2017 - The Australian International Airshow and Aerospace & Defense Exposition Venue: Geelong, Australia http://www.airshow.com.au/airshow2017/TRADE/

AERO INDIA 2017 Venue: Air Force Station Yelahanka, Bengaluru https://www.aeroindia.in/Default.aspx

LATIN AMERICAN AEROSPACE & DEFENSE (LAAD) 2017 Venue: Rio de Janeiro, Brazil http://www.laadexpo.com.br/en/

# JAPAN AEROSPACE

**Venue:** Tokyo, Japan <a href="http://export.gov/california/losangelesdowntown/events/japan2016/index.asp">http://export.gov/california/losangelesdowntown/events/japan2016/index.asp</a>

MILIPOL Venue: Doha, Qatar http://en.milipolqatar.com

INDODEFENSE Venue: Kemayoran, Jakarta, Indonesia http://www.indodefense.com

Langkawi International Maritime Defense Exhibition (LIMA) 2017 Venue: Langkawi Island, Malaysia http://www.limaexhibition.com/aboutus-lima-facts.php

Adriatic Sea Defense and Aerospace 2017 Venue: Split, Croatia http://adriaticseadefense.com/

International Maritime Defense Exhibition - IMDEX ASIA 2017 Venue: Singapore http://www.imdexasia.com/

International Defense Industry Fair Venue: Istanbul Turkey <u>Click here for details</u>

Defense Security Equipment International (DSEI) Venue: London, England http://www.dsei.co.uk/

MSPO International Defense Industry Exhibition Venue: Kielce, Poland Click here for details

# Addendum 2: Resources for U.S. Exporters

The U.S. Government has numerous resources available to help U.S. exporters: from additional market research, to export financing guides, to overseas trade missions, to staff around the country and the world. A few key resources are highlighted below.

# **Department of Commerce (DOC)**

International Trade Administration (ITA)

http://www.trade.gov/topmarkets/

- $\checkmark$  Go to the <u>Defense Products link</u> for information on defense markets.
- ✓ Go to the <u>Technical Textiles link</u> for information on *military protective outer wear*.
- ✓ Go to <u>The Aircraft Parts</u> to gather more information on commercial and civil aircraft parts.
- ✓ For additional information about services from the International Trade Administration (ITA), please visit www.export.gov.

#### **Country Commercial Guides**

Written by trade experts at U.S. Embassies worldwide, the *Country Commercial Guides* provide an excellent starting point for what you need to know about exporting and doing business in a foreign market. The reports include sections addressing market overview, challenges, opportunities and entry strategies; political environment; selling U.S. products and services; trade regulations, customs, and standards; and much more.

#### **Basic Guide to Exporting**

A Basic Guide to Exporting addresses virtually every issue a company looking to export might face. Numerous sections, charts, lists and definitions throughout the book's 19 chapters provide in-depth information and solid advice about the key activities and issues relevant to any prospective exporter.

# Trade Finance Guide: A Quick Reference for U.S. Exporters

*Trade Finance Guide: A Quick Reference for U.S. Exporters* is designed to help U.S. companies, especially small and medium-sized enterprises, learn the basics of trade finance so that they can turn their export opportunities into actual sales and achieve the ultimate goal of getting paid on time for those sales. Concise, two-page chapters offer the basics of numerous financing techniques, from open accounts to forfaiting and government assisted foreign-buyer financing.

# Trade Missions

Department of Commerce trade missions are overseas programs for U.S. firms that wish to explore and pursue export opportunities by meeting directly with potential clients in foreign markets. Trade missions often include: one-on-one meetings with foreign industry executives and government officials that are prescreened to match specific business objectives, whether for representation, direct sales or joint ventures in the local market. DOC also certifies trade missions that are organized by state and private sector organizations and hosted by DOC's Commercial Service overseas offices.

# **Certified Trade Fairs**

The Department of Commerce's trade fair certification program endorses overseas trade shows that are a reliable venue and a good market for U.S. firms to sell their products and services abroad. These shows serve as a vital access vehicle for a U.S. company to enter and expand to foreign markets. The certified show/U.S. pavilion ensures a high-quality, multi-faceted opportunity for American companies to successfully market overseas. Among other benefits, certified trade fairs provide U.S. exhibitors with help facilitating contacts, market information, counseling, and other services to enhance their marketing efforts.

# The Industry Trade Advisory Committee (ITAC)

The Industry Trade Advisory Committee on Aerospace Equipment consists of representatives of U.S. aerospace and defense manufacturers and their trade associations, as well as labor organizations, who advise the Secretary of Commerce and the U.S. Trade Representative on international trade issues related to the aerospace and defense industry.

# The Bureau of Industry and Security (BIS): http://www.bis.doc.gov/

For licensing regulations under the Export Control Administration (EAR) BIS Help desk at <u>snapr@bis.doc.gov</u> or by calling the Help Desk at 202.482.2777 Regulatory Policy Division: 202-482-2440 / rpd2@bis.doc.gov

Exporter Counseling Services at DOC: (202) 482-4811 in Washington, D.C. or (949) 660-0144 in California

# **Summary of Other Agencies and Resources**

# State Department

Department of State (DOS): <u>http://www.pmddtc.state.gov/index.html</u> <u>Directorate of Defense Trade Controls (DDTC)</u> / link to licensing regulations under the International Traffic in Arms Regulations (ITAR) Response Team may be reached at (202) 663-1282 or by email at <u>DDTCResponseTeam@state.gov.</u>

#### Department of State (DOS): <u>http://www.state.gov/t/pm/rsat/</u>

Office of Regional Security and Arms Transfers (PM/RSAT) / information on the FMS and TPT process

# Department of the Treasury: <u>https://www.treasury.gov</u>

*OFAC*/Sanctions: <u>https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx</u> Or call the OFAC hotline at (800)540-6322 Entities List (Consolidated Screening List)

# **Department of Defense**

**DSCA:** <u>http://www.dsca.mil</u> Main: 703-697-9709; The Weapons Division: 703-697-9096 or 9098

**The Security Assistance Management Manual (SAMM):** <u>http://www.samm.dsca.mil/</u> is the fully-digital electronic version (E-SAMM). SAMM is the authoritative document on Security Cooperation policy and procedures.

**DISCS** also has a *helpful link on its website* <u>http://www.iscs.dsca.mil/</u> called <u>"Ask an instructor"</u> As of July 2016, the most current and comprehensive guide to the FMS process, can be found in <u>The</u> <u>Management of Security Cooperation (more commonly known as the "Green Book")</u>.

DTSA: http://www.dtsa.mil

Office of Small Business Programs: Small Business and the DOD: <u>http://www.acq.osd.mil/osbp/sb/index.shtml</u> The Pentagon Office: 571-256-7791 or <u>osd.pentagon.ousd-atl.mbx.osbp-info@mail.mil</u>

# The U.S. Small Business Administration (SBA): <u>https://www.sba.gov/</u>

SBA offers financial support for small to medium sized firms through the STEP Grant program to encourage international trade promotion.

U.S. Securities and Exchange Commission: The SEC enforces actions against FCPA violators <u>https://www.sec.gov/spotlight/foreign-corrupt-practices-act.shtml</u>

Department of Justice Alcohol Tobacco & Firearms: <u>www.atf.gov</u>

Department of Energy: http://www.energy.gov/