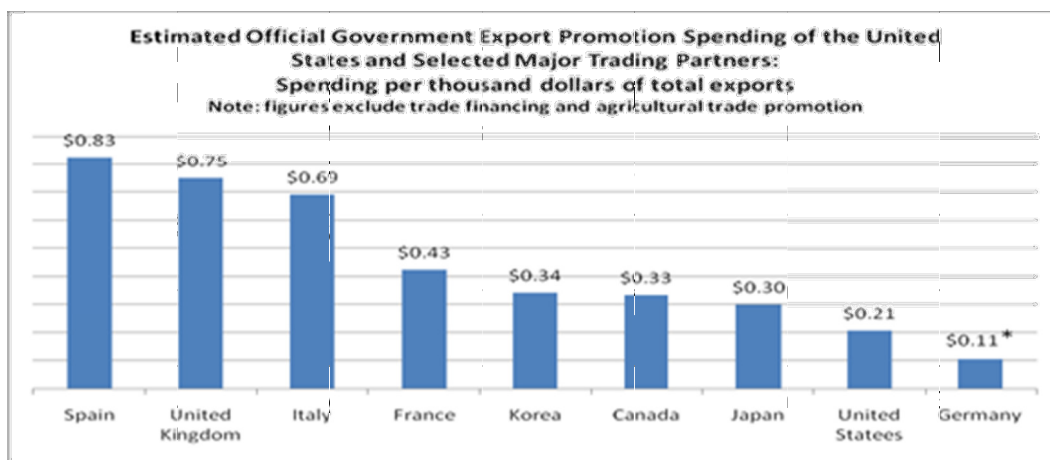


Foreign Competition and Trade Promotion Assistance

U.S. firms face stiff competition from foreign companies whose governments provide higher levels of direct and indirect support. Governments of our major trading partners outspend and out staff the United States on trade promotion. Examples:

- Canada's population and economy are one-tenth that of the United States'. Yet, Canada's Trade Commissioner Service is similar in size and budget to the U.S. Commercial Service.
- With an economy less than one-fifth the size of the United States, the United Kingdom outspends and out staffs the United States in absolute terms.



* Excludes substantial indirect support funded by mandatory fees. German firms are required by law to join a domestic chamber. Mandatory membership fees are used to support the German Chambers of Commerce Abroad. Additionally, the Association of German Trade Fairs organizes trade fairs abroad on behalf of the Government. Association funding comes from a fee levied on all exhibitors at German trade fairs.

Several competitor countries subsidize services to small companies, including participation on trade missions, in foreign trade shows, and to introduce SMEs to key markets. Highlights:

- The UK's Passport to Export program for SMEs provides free one-on-one mentoring, subsidized training, and a subsidized visit to an overseas market.
- Germany provides support to firms exhibiting in trade fairs abroad. 60 percent of all German firms participate in trade fairs; two thirds of which exhibit abroad.
- France's Trade Missions Overseas program provides up to \$3,750 to SMEs and includes French pavilions at trade fairs, products and displays, and other trade promotions.
- The Netherlands and Australia have grant programs that pay (up to \$110,000 in the Netherlands) for new exporters' market development costs.