

Doing Business with the USA



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Gregory Winstead
Political/Economic Section
U.S. Embassy Chisinau

Current Trade Patterns

- Existing trade as a guide to opportunities
 - U.S. data show bilateral trade in 2012 totaled \$63.5 million – up 14.7% from 2011
 - Moldovan data indicate \$109.1 million
 - Discrepancies
- Trade in 2012 with neighboring countries
 - U.S.-Romanian trade at \$2.45 billion – up 4.5%
 - U.S.-Ukrainian trade at \$3.28 billion – down 8.5%
- Elimination of Jackson-Vanik Amendment

U.S. Trade Data

- \$38.2 million in U.S. exports in 2012 to the Republic of Moldova (-2.5%)
- Top exports:
 - Food Manufactures (+49%)
 - Computer and Electronic Products (-38%)
 - Machinery, except Electrical (-26%)
 - Transportation Equipment (-23%)
 - Chemicals (-47%)
 - Electrical Equipment, Appliances & Components (-42%)
- New Categories: Fish, Animals, Mineral Products, Textiles

Republic of Moldova Data

- \$79.1 million in U.S. exports in 2012 to the Republic of Moldova (-0.7%)
- Top Imports from the United States :
 - Pharmaceuticals/Medications (over+100%)
 - Meat/Poultry (+24%)
 - Photographic & Medical Equipment (+130%)
 - Frozen Fish Products (+13%)
 - X-ray Machines and Scanners (over+100%)
 - Vehicles/Automobiles (-38%)

U.S. Trade Data

- \$25.3 million in Moldovan exports in 2012 to the United States (+56%)
- Top exports:
 - Beverages & Tobacco Products (+110%)
 - Apparel Manufacturing Products (+35%)
 - Leather & Related Products (+14%)
 - Food Manufactures (+47%)
 - Textile Mills Products (+4%)
 - Plastics & Rubber Products (over+100%)

Republic of Moldova Data

- \$24.9 million in Moldovan exports in 2011 to the United States (+20%)
- Top Exports to the United States:
 - Cigarettes & Tobacco Products (+42%)
 - Beverages & Alcoholic Products (+164%)
 - Aircraft (over+100%)
 - Grape Wine (-14%)
 - Linens for Beds, Tables, Kitchens (+31%)
 - Plastic Shipping and Packing Materials (+203%)

Trade with Romania

- Romania - \$2.45 billion in total trade
 - Imports from USA (\$833 million): Petroleum & Coal Products; Machinery, except Electrical; Computer and Electronic Products; Minerals & Ores; Transportation Equipment; Agricultural Products
 - Exports to USA (\$1.619 billion): Primary Metal MFG; Computer and Electronic Products; Fabricated Metal Products; Transportation Equipment; Chemicals; Apparel Manufacturing Products

Trade with Ukraine

- Ukraine - \$3.28 billion in total trade
 - Imports from USA (\$1.935 billion): Machinery, except Electrical; Minerals & Ores; Transportation Equipment; Chemicals; Fabricated Metal Products; Food Manufactures
 - Exports to USA (\$1.352 billion): Primary Metal MFG; Chemicals; Petroleum & Coal Products; Computer and Electronic Products; Transportation Equipment; Minerals & Ores

U.S. Trade with Europe

- Comparison with EU and non-EU countries with similar geographic, population or economic factors
- Moldova – changes in patterns from 2009 to 2012
 - Exports to U.S. up 210%
 - Growth Sectors – Beverages, Apparel and Leather Goods
 - Imports from U.S. up 43%
 - Growth Sectors – Computers/Electronics, Machinery, Electrical Equipment and Fabricated Metal Products

Experience of EU States 2009-2012

- Hungary + 38%, Slovakia + 152%, Slovenia + 37%
 - All saw greater rise in U.S. imports than U.S. exports
- Major Growth in Exports to US:
 - Machinery, Plastics, Fabricated Metal, Transportation Equipment, Computer and Electronic Products
- Major Growth in Imports from US:
 - Machinery, Minerals & Ores, Petroleum and Coal Products
- Building on Success of Neighbors

Experience of Non-EU States

- Macedonia +36% - 2012 total of \$107.6 million
- Armenia 0% - 2012 total of \$154.7 million
- Major Sectors of Exports to US:
 - Agricultural Products, Primary Metal MFG, Apparel – 78% of Macedonian Total
 - Primary Metal MFG - 87% of Armenian Total
- Seeking Diversification of Trade Sectors
 - U.S. Exports to Region Diversified – Consumer Demand
 - Changes in Neighbors' Trade to Guide Moldova
 - Computer/Electrical Equipment, Plastics, Furniture, Apparel

Generalized System of Preferences (GSP)

- Provides preferential duty-free entry of goods into the United States -- a competitive edge
- Excludes certain goods, especially apparel, textiles and most footwear and leather items
- Goods imported directly from Moldova or via a bill of lading from another country
- Goods must be grown, produced or manufactured in Moldova
- Importer must request duty-free treatment
- Requires Congressional reauthorization

Moldova & GSP

- Primary Moldovan goods already benefitting from GSP:
 - Grape wine, including sparkling
 - Vegetables, prepared or preserved
 - Plastic stoppers, lids, caps
 - Flags, caviar, jams, walnuts, juices, bath salts, bathroom fixtures, electrical machine parts, lamps/parts, locks
- Goods eligible, but not claiming:
 - Grape wine, including sparkling
 - Plastic products for purses/pockets

Conclusions

- Expand on areas where trade is working
- Growth in Moldovan imports of consumer goods & electronics as well as machinery
- Expansion of exports of apparel/textiles, alcoholic and tobacco products, leather goods
- Learn from neighbors and other markets
- Take advantage of GSP benefits
- Consider new opportunities
 - Trade shows
 - Commercial News