Exports Go Green

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Between the U.S. Recovery Act, which included funding to stimulate training for high, tech, green manufacturing jobs and the National Export Initiative, the U.S. government has a strong interest in companies looking to export clean technology products to India and China.

Manufacturing.net sat down with Suresh Kumar, Assistant Secretary of Commerce and Director General for the U.S. & Foreign Commercial Service at the U.S. Department of Commerce, to discuss how small to medium-sized manufacturers can capitalize on the demand from foreign countries for clean technology products.

The goal to double exports is also aimed at creating up to 2 million jobs, with many of these jobs falling into the clean tech market. And the U.S. Commercial Service office, among others, plays a key role in helping reach the administration's goals.

"The reality is, 95 percent of consumers live outside the U.S. and that's a market you need to tap into," Kumar says. "Through the National Export Initiative, the U.S. Commercial Service and 19 other different agencies are working together so that the combined resources of the U.S. government can be leveraged to the benefits of the private sector," he says.

Prompting the U.S. to push for further developments and exports in the green sector, in particular, are India and China -- two of America's largest trading partners.

"Both India and China have indicated there is a need for sources of renewable energy. They have power shortages. They have been growing tremendously but power continues to be a constraint. And in order to meet that power, you have two options: go with conventional sources -- which doesn't help global warming, or go with newer energy-efficient technologies that American companies offer which address both the power needs and the issue of reducing emissions," says Kumar.

India, for example, has enacted a National Solar Mission committed to installing 20 gigawatts of solar power by 2022. With the country growing at an enormous rate, and looking to reduce its greenhouse gas emissions, India has a huge appetite for solar energy. In fact, they currently don't have enough companies that manufacture solar technology to meet the demand. As a result, Kumar says the country is likely to import solar technology products from the U.S.

China, on the other hand, has become the world's largest manufacturer of wind turbines and solar panels, but Kumar notes that there is still a need for green tech exports to China.

"In China, which creates 40 percent of the world's new building space every year, there is a glaring need for more efficient residential, commercial and industrial

construction," Kumar says. "American companies have the right solutions -- from more efficient building materials like drywall, cement and insulation to more sustainable architectural designs," he adds.

In the race to develop clean technology to help reduce its greenhouse gas emissions, there continues to be an attraction and interest in China to learn from American companies and their technology, and many are willing to partner their manufacturing facilities with American firms.

But Kumar warns that manufacturers working with China and India must do everything they can to protect their intellectual property and understand fully how their IP is enforced before entering foreign markets.

"As a result, the Department of Commerce and this administration is constantly working to ensure strong, enforceable intellectual property policies with its foreign partners," Kumar says.

Further challenging efforts to increase exports, both China and India are intent on promoting local content requirements. For example, China announced an innovation product accreditation system, under which only IP rights owned or licensed to Chinese companies are eligible for certain government procurement preferences.

Policies like these block American companies from entering the market and stymie efforts to bring innovative technologies to much-needed areas.

"This is one issue that we're working with China and India to resolve. We believe that these efforts are wrong and that technology should be freely available to help innovate and develop clean energy products," says Kumar.

Despite these challenges, the U.S. Commercial Service says it can ensure transparency of foreign government procurement policies and help American companies utilize subsidies and other incentives in India and China.

"We have within our service 1,500 case specialist residing in both the U.S. and aboard. We have 400 case specialists across the U.S., with offices in 109 cities and about 1,000 folks in 79 countries in 126 cities around the world. By having that extensive network, we're able to counsel, work and help set up business and marketing plans for small and medium enterprises and come up with a plan and then connect them to buyers/distributors in different countries," says Kumar.

Kumar notes that manufacturers looking to export green technology products must first make sure their product is export ready -- it should meet standards, regulations, labeling and licensing, both here and abroad. If there is a demand for your product, the next step is determining distribution.

He also stresses the importance of having a business model with a clearly developed export strategy.

"Just having the right technology alone is not enough. And understanding how

distribution will take place is an important step and something our trade specialists know very well. Through these resources, and other government agencies, we can help you find the right partners to help you expand your global footprint," says Kumar.

With its network of offices across the United States and overseas, the U.S. Commercial Service utilizes its global presences and international marketing expertise to help U.S. companies sell their products and services worldwide. For more information, visit www.export.gov *[1].*

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