

ABC Manufacturing

Confidential
**EXPORT
MARKETING
PLAN**

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Statement of Objectives

The purpose of this export marketing plan is to assist **ABC Manufacturing** in the creation and execution of an international strategy. This is accomplished through evaluating current company conditions, investigating global trade patterns, identifying and prioritizing promising international markets, identifying market entry strategies, and providing a step-by-step guide to implementation. The suggestions and conclusions included in this plan are mostly based on secondary research. However, current company practical experience is also considered. The report focuses primarily on market data; some political and economic risk data is also taken into account.

The market data provided should help company executives decide which markets to enter. This plan should be approached as a living document, able to be updated and revised in response to market conditions and lessons learned. To this end, an exhaustive list of resources has been included in the Appendix, and all information sources have been documented throughout the plan.

This plan was developed by the Florida Small Business Development Center (FSBDC) at the University of North Florida in consultation with ABC Manufacturing management, Enterprise Florida, Inc. and the U.S. Commercial Service.

General Goals

Goal 1: ABC Manufacturing has grown by 65% over the past few years in large part due to passive export sales. With this export marketing plan, ABC Manufacturing aims to develop and implement a proactive international strategy to assist the company in growing sustainably by testing assumptions against outside research and by properly allocating resources to support this effort.

Goal 2: Identify emerging markets with growth potential. Become the market leader in these markets to offset growing international competition in mature markets.

Goal 3: Develop international expertise, whether in-house or through a team of outside experts, in order to ensure long-term success in international sales. This includes solving existing export questions, creating support strategies for international clients and providing education to key staff members.

Scope and Methodology

The conclusions in this report were reached by extensive secondary international market research and examination of trade data. The company's practical experience is also taken into account. First, a search was conducted with ABC Manufacturing to identify the correct Harmonized System Commodity Classification Codes (Schedule B Numbers) in order to examine the trade patterns for these products. Additionally, other relevant success indicators were evaluated, top countries were then prioritized and recommendations were made. A detailed explanation of market indicators is explained in the "Market Analysis" section. The market data provided should help company executives decide which markets to enter. The aforementioned research as well as an overview of competitors and an action plan with a \$25,000 budget for start-up process will help the company build its overall exporting strategy. Background information on the company was gathered from interviews with the ABC Manufacturing Executive team in addition to thoroughly reviewing the company's website and marketing collateral. A complete listing of the resources used to compile this report can be found in the Appendix.

ABC Manufacturing will have continuous support of the Florida Small Business Development Center at

UNF, Enterprise Florida, and the U.S. Commercial Service to execute this plan.

Company Overview and Analysis

About ABC Manufacturing

ABC Manufacturing is a full-service, precision manufacturing facility of 15 employees based in Jacksonville, Florida. Since its inception in 1993, the company has strived to bring to market the highest quality aftermarket products for repairing rigid and flexible endoscopes. In the early 1990s, then owner John Smith began to see a need for readily available repair and replacement products in the third party endoscope repair industry. Because of this need, ABC Manufacturing was formed in 1993. After just three years, the company's inventory grew to over 500 product lines. ABC Manufacturing has since increased inventory to over 1,500 lines and serves a vast, worldwide market of independent service organizations, surgery centers and hospitals in over 50 countries.

Mr. John Smith, CEO, approves major financial decisions, leads general business strategy and new business development. Mr. George White, General Operations Manager handles procurement, quality control, reverse engineering, and inventory control. Mr. Catalino Muñoz, VP of Global Business Development, manages international strategy and development. A former employee residing in Brazil, Mr. Erlane Oliveira, is ABC Manufacturing's distributor in Brazil.

Export Readiness Assessment

The following internal aspects were analyzed to determine feasibility of ABC Manufacturing's export operations expansion:

Organizational Readiness: From the CEO throughout company hierarchy, there is a consensus within the organization to pursue an aggressive export strategy. Currently Mr. Muñoz handles international sales, while the company's Brazilian partner maintains a significant client base throughout South America. Company executives understand the time commitment to realize international success, and are aware that they will have to dedicate a considerable amount of human and financial resources to the international trade expansion.

Company Readiness: Having been in business for 22 years, ABC Manufacturing has built lasting business relationships and has accumulated considerable know-how of their manufacturing and customer service processes, creating a strong domestic brand. The company employs a horizontal management structure, which allows for decisions to be made quickly and provides for greater flexibility than that of a larger, more bureaucratic company. These characteristics provide a competitive advantage and make it difficult for newer companies in the industry to compete as efficiently. With this being said, the company owner and executives are committed to implementing an international strategy, and they understand such a strategy is long term.

Financial Readiness: ABC Manufacturing has a steady positive working capital position with sales growth trending up approximately 36% over the past four years. Management understands that an export strategy may require using short-term profits to achieve long-term gains. The company should have adequate cash, savings, or access to capital to finance production and marketing efforts. Management should also understand that the company may need to wait longer for payments. The more direct or aggressive the expansion plan, the more cash is required. Each investment must be balanced against the expected profit opportunities and their impact on building long-term owner and shareholder value of the company.

Product Readiness: ABC Manufacturing’s competitive advantages come not only from experience but also because they offer a very large product line catering to the most frequently used endoscopic equipment bands in the industry. ABC Manufacturing products are known for their high quality and by being “made in the USA” carry the internationally-recognized standard of quality.

Products and Services Analysis

ABC Manufacturing manufactures replacement endoscopic equipment to original equipment manufacturer (OEM) specifications for use in bronchoscopes, colonoscopes, gastroscopes, and ureteroscopes. An ISO Certified company, ABC Manufacturing employs SolidWorks and MasterCam CNC design programs to manufacture replacement parts for major brands such as Dyonics, Fujinon, Linvatec, Olympus, Pentax, Stryker, Storz, and many more. Research in this export marketing plan focuses on the Olympus product line as company management finds it to have the greatest export potential.



Customers choose ABC Manufacturing products because they specialize in manufacturing out-of-warranty and hard to find replacement parts for surgical equipment used to perform minimally invasive procedures. The company serves as a “one-stop shop” allowing customers such as endoscopy repair facilities to extend the life of the scope, which provides a cost benefit both to the repair facility and to the end user. In the past, repair facilities would seek out ABC Manufacturing, although the company has noted increased competition from European and Australian manufacturers. As a means to curb the strain from increasing competition, the company increasingly generates leads through trade shows, website optimization, and through active marketing in South America through their distributor, Mr. Oliveira.

ABC Manufacturing makes an extra effort to ensure it collects, documents, and maintains customers’ specifications and internal production information to deliver the expected product right the first time. Having international customers has reinforced this process, because the company understands how much time and money can be wasted if the exported product does not meet expectations.

Production Model

ABC Manufacturing manufactures its products in an 18-bay, 12,500ft² (3,810m²) precision manufacturing facility housing five departments: Customer service, design and manufacture, quality control, shipping and receiving, and operations. The company receives orders primarily through their website. Over the years ABC Manufacturing has accumulated an inventory of over 1,500 types of replacement equipment, which in many cases enables the company to fulfill orders faster than a competitor without such a thorough stock. Quality certifications are not mandatory for every shipment, though as an ISO Certified facility and by utilizing OEM specifications for form, fit and function, ABC Manufacturing's quality control process follows industry standard inspections. Additionally the company's raw materials and finished products are coded to identify manufacture date so that products may be traced back to the specific batch and material source. In some cases clients do request a Material Safety Data Sheet (MSDS) to accompany product. Over the past 5 years ABC Manufacturing has also added outsourced manufactured equipment to their stock such as fiber optic insertion tubing which has increased product offering by 7-8,000 additional pieces.

Marketing Model

Labeling and Packaging

Labeling and packaging is generally minimal as ABC Manufacturing sells their products directly to equipment repair facilities that have contracts with hospitals.

Special considerations should be made for branding and labeling products in foreign markets, such as:

- Brand name: using an international brand name versus a local brand or private label
- Colors: ensuring colors used on the labels and packages are attractive and not offensive to the foreign buyer
- Language: producing labels and instructions in the official or customary languages of the foreign country, especially if required by law, practice, or trade agreement
- Product information: including information on product content and country of origin
- Weights and measures in local units
- Labeling: ensuring special labeling requirements are met

Product Adaptation

Since ABC Manufacturing manufactures product to OEM standards, little product modification is anticipated, although in some cases special certification may be required to meet foreign government regulations and buyer preferences.

After Sale Service, Warranty, Non warranty

ABC Manufacturing provides returns for any failures or issues due to inaccurate specification items on form, fit and function. The company determines warranty replacement on a case by case basis. Regardless, over the past five years ABC Manufacturing product fail rate has been verified through ISO Certification processes to be close to 0%.

Customer Analysis

Endoscopic replacement parts are used specifically by medical, surgical equipment repair facilities that contract directly with hospitals and other health facilities to repair bronchoscopes, colonoscopes, gastroscopes, and ureteroscopes. The average ABC Manufacturing client is a small to medium size entity with sales under US\$1mm up to US\$5mm, with about 10% of business derived from the higher end. The company notes a trend toward demand for endoscopic insertion tubes, particularly as the global economy grows and as minimally invasive procedures are becoming more prevalent throughout developing countries who are acquiring used surgical equipment.

Industry Analysis¹

Commodity Classification/Numbering System

The Harmonized Commodity Description and Coding System or Harmonized System (HS) is an internationally agreed-upon classification system that is the basis for obtaining domestic and international trade and tariff information. HS Codes are essentially the language of international trade, numerical codes that describe “what” is being shipped to and from countries worldwide, and they form the basis upon which all modern Customs management systems operate. The HS code assigns a 6-digit number to each product that is traded internationally, and these 6 digits are used universally. Each country can assign, on its own, four additional numbers, making the entire number 10 digits. The United States does this with its Schedule B system, which offers more detailed information on each product. HS Codes should be chosen with consideration of the General Rules of Interpretation and Chapter Notes, which can be found in the Official Harmonized Tariff Schedule of the United States.² Based on the above product analysis, the following Foreign Trade Schedule B commodity classification³ was identified on consultation with ABC Manufacturing management:

Main Codes:⁴

9018.19

| Schedule B Number | Description |
|-------------------|---|
| 90.18 | - Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments; parts and accessories thereof: |
| | - - Electro-diagnostic apparatus (including apparatus for functional exploratory examination or for checking physiological parameters); parts and accessories thereof: |
| 9018.19 | - - - Other: |

¹ Industry information derived from IBISWorld and First Research reports. See appendix for full reference.

² <http://www.usitc.gov/publications/docs/tata/hts/bychapter/1400htsa.pdf> and <http://hts.usitc.gov/>

³ <https://uscensus.prod.3ceonline.com/>

⁴ See Appendix for pertinent Harmonized Tariff Schedule section and chapter notes.

9018.50

| Schedule B Number | Description |
|-------------------|---|
| 90.18 | - Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments; parts and accessories thereof: |
| 9018.50.0000 | - - Other ophthalmic instruments and appliances and, parts and accessories thereof |

9018.90

| Schedule B Number | Description |
|-------------------|---|
| 90.18 | - Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments; parts and accessories thereof: |
| 9018.90 | - - Other instruments and appliances, and parts and accessories thereof: |

Industry Classification

ABC Manufacturing is related to the following North American Industrial Classification System (NAICS) Code:⁵

NAICS code: 334510

Electromedical and Electrotherapeutic Apparatus Manufacturing

Corresponding Index Entry: Endoscopic equipment, electromedical (e.g., bronchoscopes, colonoscopes, cystoscopes), manufacturing

This U.S. industry comprises establishments primarily engaged in manufacturing electromedical and electrotherapeutic apparatus, such as magnetic resonance imaging equipment, medical ultrasound equipment, pacemakers, hearing aids, electrocardiographs, and electromedical endoscopic equipment.

The following industry analysis, derived from IBISWorld and MarketLine industry reports⁶ is a brief description of the wider industry outlook. This analysis is intended to give ABC Manufacturing a general domestic and international view of the industry.

As a highly competitive, high-margin industry that produces largely nondiscretionary products, the Medical Device Manufacturing industry experienced mixed effects from the economic downturn. Customer consolidation has driven mergers and acquisitions within the industry because manufacturers are more likely to get contracts with large purchasing organizations if they can offer a wide product assortment. Shorter product life cycles and higher costs of developing new technology have further driven industry consolidation, as both of these trends encourage large players to acquire new

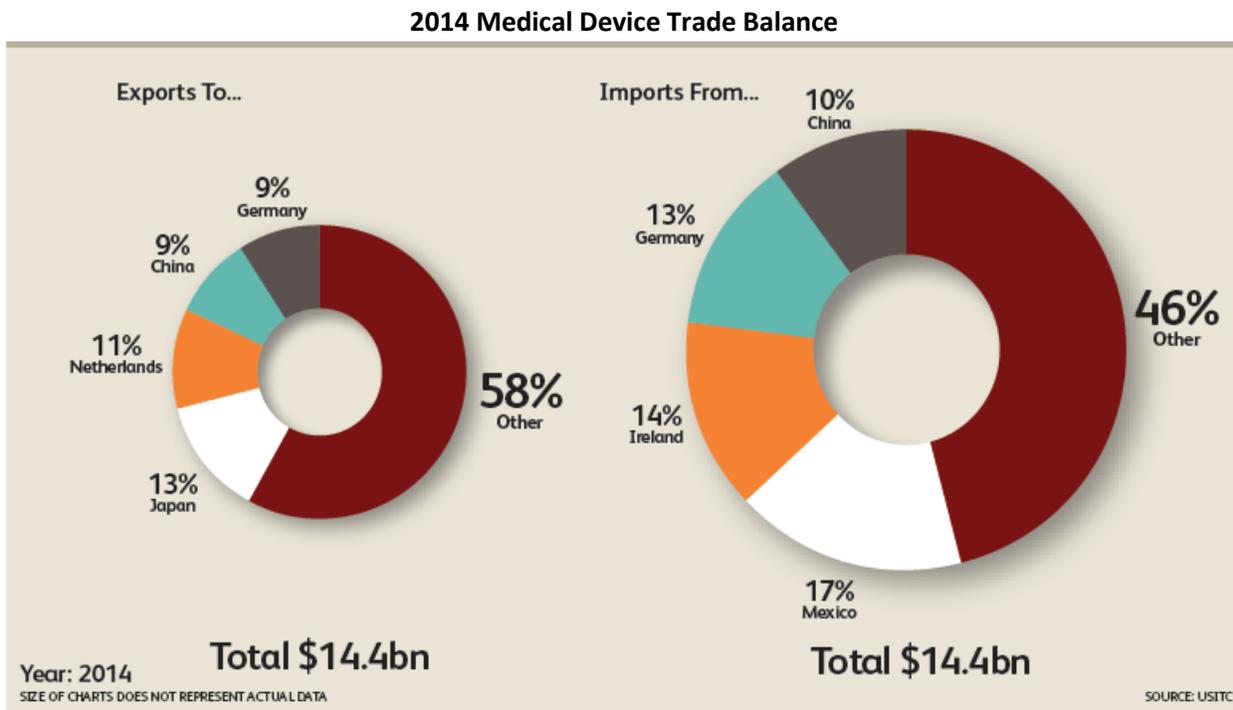
⁵ <https://www.census.gov/eos/www/naics/>

⁶ See full reference in Appendix

technologies from small companies.

The industry has become more globalized over the past five years, with the value of exports growing at an annualized 3.9% to US\$14.4 billion, while the value of imports in the US market increased 6.4% to US\$14.4 billion. IBISWorld expects industry exports to increase an annualized 3.3% in the next five years, to US\$16.9 billion. The competition and development of new markets as a result of this globalization trends have fueled a growing trend toward using third-party resources to design, engineer, manufacture, package, and distribute medical devices.

The Medical Device Manufacturing industry represents one of the few areas of the US economy with a trade surplus; however, barriers to entry in markets outside of the United States are increasing, and the trade surplus could slow or reverse in coming years.

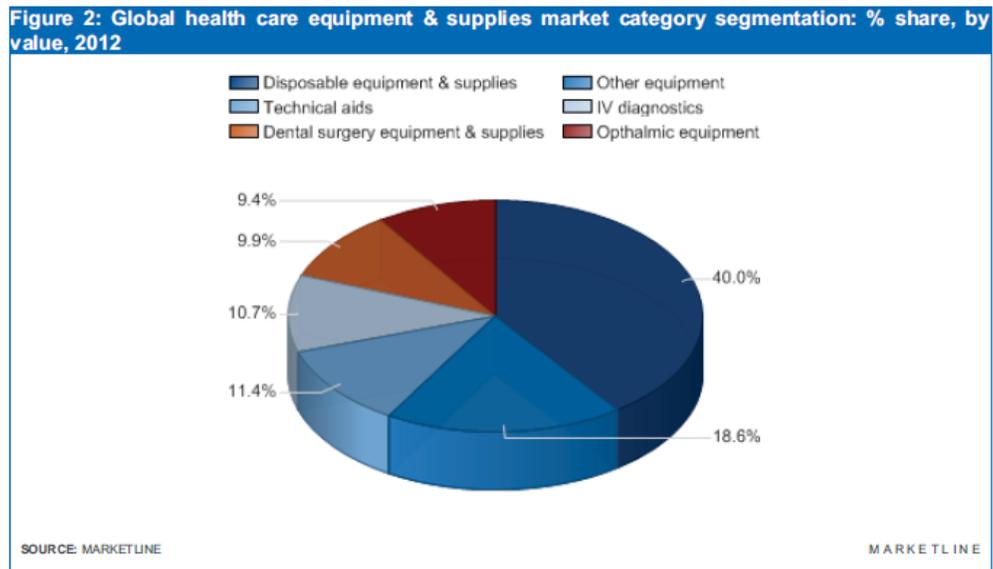


The global health care equipment and supplies market, parent industry to the Medical Equipment Manufacturing industry, grew by 5.1% in 2012 to reach a value of US\$350.5 billion. In 2017, the global health care equipment and supplies market is forecast to have a value of US\$459.4 billion, an increase of 31.1% since 2012.

Table 2: Global health care equipment & supplies market category segmentation: \$ billion, 2012

| Category | 2012 | % |
|-------------------------------------|--------------|-------------|
| Disposable equipment & supplies | 140.1 | 40.0% |
| Other equipment | 65.2 | 18.6% |
| Technical aids | 40.0 | 11.4% |
| IV diagnostics | 37.6 | 10.7% |
| Dental surgery equipment & supplies | 34.8 | 9.9% |
| Ophthalmic equipment | 32.9 | 9.4% |
| Total | 350.6 | 100% |

SOURCE: MARKETLINE MARKETLINE



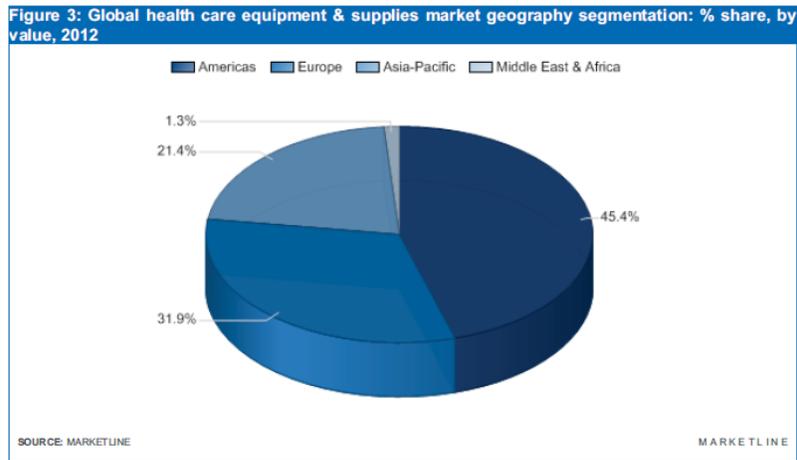
Americas accounts for 45.3% of the global health care equipment & supplies market value. Europe accounts for a further 31.9% of the global market.

Table 3: Global health care equipment & supplies market geography segmentation: \$ billion, 2012

| Geography | 2012 | % |
|----------------------|--------------|-------------|
| Americas | 158.9 | 45.3 |
| Europe | 111.9 | 31.9 |
| Asia-Pacific | 75.1 | 21.4 |
| Middle East & Africa | 4.5 | 1.3 |
| Total | 350.4 | 100% |

SOURCE: MARKETLINE MARKETLINE

In comparison, the European and Asia-Pacific markets grew with CAGRs of 3.6% and 6.9% respectively, over the same period, to reach respective values of US\$111.9bn and US\$75.1bn in 2012. The global health care equipment and supplies market is characterized by the presence of large, international incumbents, which increases rivalry somewhat.



The following table is a selection of major medical device manufacturing companies. The trend of Mergers and Acquisitions (M&A) is evident based on the sheer volume of subsidiaries related to large players in the industry. ABC Manufacturing should partner with their local Enterprise Florida representative to pursue appropriate leads from this list and future searches using databases such as Avention and Kompass.

| Major Medical Device Manufacturers | | | |
|---|-----------------|---|---|
| Company | Signs of Export | Subsidiaries/Joint Ventures/Partners | Comments |
| Abbott Laboratories, www.abbott.com | Yes | Celera Group, ARCHITECT, AxSym, Abbott Prism, Vysis, i-STAT, Cell-Dyn, Xience Prime, Xience nano, Xience V, Multi-Link, TREK, Voyager, Elite, StarClose, Perclose, Acculink/Accunet, MitraClip, Absorb and Xact/Emboshield, OptiMedica, IDEV, Piramal Healthcare Limited’s Healthcare Solutions, Solvay Pharmaceuticals, Abbott Healthcare BV (Holland), CFR Pharmaceuticals, and Veropharm (Russia), Fonterra | Founded 1894, HQ in U.S.A. with presence in Netherlands, Germany, Japan, Italy, France, Canada, the UK and Spain. Major Product Lines: Nutrition, Medical Devices, Established Pharmaceuticals, and Diagnostics |
| Johnson & Johnson, www.jnj.com/about-jnj | Yes | Centocor, Inc, Ortho-McNeil Pharmaceutical, Inc, Virco and Tibotec, Synthes, Inc, Shanghai Elsker Mother & Baby Co., Ltd. (China), DePuy Orthopaedics, Inc., Biomet, Inc., Crucell N.V., J.B. Chemicals & Pharmaceuticals Limited, Johnson & Johnson-Merck Consumer Pharmaceuticals Co., Merck Sharp & Dohme Corp; SterilMed, Inc., Ortho-Clinical Diagnostics, Subsidiaries in U.S.A.: Acclarent, Inc., ALZA Corporation, Animas Corporation, Aragon | Founded 1886, HQ in U.S.A. with global presence. Major Product Lines: Pharmaceutical Sales, Medical Devices and Diagnostics, and Consumer Products |

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|--|---|--|
| | <p>Pharmaceuticals, Inc., Biosense Webster, Inc., CNA Development LLC, Codman & Shurtleff, Inc., Cordis Corporation, Cordis International Corporation, Cordis LLC, DePuy Mitek Holding Corporation, DePuy Mitek, LLC, DePuy Orthopaedics, Inc., DePuy Products, Inc., DePuy Spine, LLC, DePuy Synthes Sales, Inc., DePuy Synthes, Inc., Delaware, Diabetes Diagnostics, Inc., Ethicon Endo-Surgery, Inc., Ethicon Endo-Surgery, LLC, Ethicon LLC, Ethicon US, LLC, Ethicon, Inc., Flexible Stenting Solutions, Inc., J&J Holdings (Nevada), Inc., Janssen Alzheimer Immunotherapy Research & Development, LLC, Janssen Biotech, Inc., Janssen Global Services, , LLC, Janssen Oncology, Inc., Janssen Ortho LLC, Janssen Pharmaceuticals, Inc., Janssen Products, LP, Janssen Research & Development, LLC, Janssen Scientific Affairs, LLC, Janssen Supply Group, LLC, Janssen-Cilag Manufacturing, LLC, JJHC, LLC, JNJ International Investment LLC, Johnson & Johnson (Middle East) Inc., Johnson & Johnson Consumer Companies, Inc., Johnson & Johnson Development Corporation, Johnson & Johnson Finance Corporation, Johnson & Johnson Health Care Systems Inc., Johnson & Johnson International, Johnson & Johnson Japan Inc., Johnson & Johnson Sales and Logistics Company, LLC, Johnson & Johnson Services, Inc., Johnson & Johnson Urban Renewal Associates, Johnson & Johnson Vision Care, Inc., JOM Pharmaceutical Services, Inc., LifeScan LLC, LifeScan Products, LLC, LifeScan, Inc., McNeil Consumer Pharmaceuticals Co., McNeil Healthcare LLC, McNeil LA LLC, McNEIL MMP, LLC, McNeil Nutritionals, LLC, McNEIL-PPC, Inc., Mentor Texas L.P., Mentor Worldwide LLC, Micro Typing Systems, Inc., Micrus Endovascular LLC, Middlesex Assurance Company Limited, Neutrogena Corporation, Noramco, Inc., OMJ Pharmaceuticals, Inc., Omrix Biopharmaceuticals, Inc., Ortho Biologics LLC, Ortho-Clinical Diagnostics, Inc., Rutan Realty LLC, Scios LLC, SterilMed, Inc., Synthes USA Products, LLC, Synthes USA, LLC, Synthes, Inc., The Anspach Effort, LLC, Wellness & Prevention, Inc. Beijing Dabao Cosmetics Co., Ltd. (China), Biosense Webster (Israel) Ltd., DePuy Medical Private Limited (India), Ethnor Farmaceutica, S.A. (Venezuela), Janssen Cilag Farmaceutica S.A. (Argentina), Janssen Inc. (Canada), Janssen Pharmaceutical K.K. (Japan),</p> | |
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|--|------------|---|--|
| | | <p>Janssen-Cilag Farmaceutica Ltda. (Brazil), Janssen-Cilag Farmaceutica, Lda. (Portugal)</p> <p>Switzerland: Almaco Holding GmbH, Cilag Advanced Technologies GmbH, Cilag AG, Cilag GmbH International, Cilag Holding AG, Cilag Pharmaceuticals GmbH, Cilag Products GmbH, Crucell Switzerland AG, DePuy Motion Sarl, Ethicon Women's Health & Urology Sarl, FMS Future Medical System SA, Janssen-Cilag AG. France: Apsis, DePuy, Janssen-Cilag, Ethicon. Germany: Apsis Germany GmbH, Corimmun GmbH, Janssen-Cilag GmbH. Netherlands: Berna Rhein B.V., Cordis Europa NV, Crucell Holland B.V., Crucell N.V., Janssen Biologics B.V., Janssen-Cilag B.V. UK: DePuy International (Holdings) Limited, DePuy International Limited, DePuy UK Holdings Limited. Ireland: DePuy Synthes Apollo Limited, DePuy Synthes Eos Limited, DePuy (Ireland), DePuy Synthes Gorgan Limited, DePuy Synthes Jason Limited, DePuy Synthes Leto S.A.R.L., Ethicon Ireland, Ethicon PR Holdings, Janssen Alzheimer Immunotherapy, Janssen Alzheimer Immunotherapy (Holding) Limited, Janssen Biologics, Janssen Pharmaceutical Holdings, Janssen R&D Ireland. Mexico: Cordis de Mexico, S.A. de C.V., EES Holdings de Mexico, S. de R.L. de C.V., Janssen de Mexico S. de R.L. de C.V. Belgium: Janssen Infectious Diseases-Diagnostics BVBA, J.C. General Services CVBA, Janssen Pharmaceutica NV, GMED Healthcare BVBA. Sweden: Crucell Sweden AB, Janssen-Cilag AB. Korea: Berna Biotech Korea Corporation, Janssen Korea Ltd.</p> | |
| <p>Medtronic, Inc., www.medtronic.com/about-us</p> | <p>Yes</p> | <p>Salient Surgical Technologies, Inc., PEAK Surgical, Inc., Axon Systems, Inc., ATS Medical, Inc., Ardian, Kanghui, Weigao, Kyphon Inc., Osteotech, Canada: 7157240 Canada Inc., Arterial Vascular Engineering Canada, Medtronic CryoCath LP, Medtronic of Canada Ltd., Salient Surgical Technologies Canada, Inc. Germany: Advanced Medical Technologies AG, Medtronic G.m.b.H, Medtronic Sofamor Danek Deggendorf GmbH, Sanatis GmbH, United Kingdom: Arterial Vascular Engineering UK Limited, Medtronic Limited, Medtronic Physio-Control Limited, China: Beijing Libeier Biology Engineering Research Institute</p> | <p>Founded 1949, HQ in U.S.A. with global presence. Major Product Lines: Cardiac and Vascular Group, Restorative Therapies Group, and Diabetes Group, products and therapies for cardiac rhythm disorders, cardiovascular diseases, neurological disorders, spinal conditions and musculoskeletal trauma, urological and digestive disorders, diabetes, and ear, nose and throat conditions.</p> |

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| | <p>Co., Ltd., Beijing Wei Rui Li Medical Devices Co., Ltd., Changzhou Kanghui Medical Innovation Co., Ltd., Medtronic (Shanghai) Ltd., Medtronic (Shanghai) Management Co. Ltd., Medtronic Weigao Orthopaedic Device Company Limited, Shanghai Zhikang Medical Devices Co., Ltd. Israel: Carmel Biosensors Ltd., Medtronic Navigation Israel Ltd., Medtronic Ventr Technologies Ltd. Italy: Fondazione Medtronic Italia, Invatec S.p.A, Medtronic Italia S.p.A., NayaMed Italy S.r.l. Spain: Fundacion Medtronic Aula Miguel Servet, Medtronic Ibérica S.A., NayaMed International, S.A, Vitatron Medical España, S.A.. India: India Medtronic Private Limited. Switzerland: Invatec Technology Center GmbH, Kyphon Sàrl, Medtronic (Schweiz) A.G. (Medtronic (Suisse) S.A.), Medtronic BioPharma Sàrl , Medtronic Europe Sàrl, Medtronic Holding Switzerland G.m.b.H, Medtronic International Trading Sàrl, NayaMed International Sàrl, Vitatron A.G. Australia: Kyphon Australia Pty Ltd., Medtronic Australasia E.S.P. Company Pty. Limited, MiniMed Pty Ltd. Australia, Medtronic Australasia Pty. Limited. Cayman Islands: Kyphon Cayman Ltd., Medtronic China Kanghui Holdings, Medtronic Puerto Rico Operations Co., Medtronic Spine International Holding Company, Peak Surgical.Ireland: Kyphon Ireland Research Holding Limited, Medtronic Ireland Limited, Medtronic Ireland Manufacturing, Medtronic Vascular Connaught, Medtronic Vascular Galway, Medtronic Vascular Holdings. South Africa: Kyphon South Africa (Proprietary) Ltd., Medtronic (Africa) (Proprietary) Limited, Medtronic Sofamor Danek South Africa (Proprietary) Limited, Japan: Medical Education Y.K., Medtronic Japan Co., Ltd., Medtronic Sofamor Danek Co., Ltd. Taiwan: Medtronic (Taiwan) Ltd. Thailand: Medtronic (Thailand) Limited. Denmark: Medtronic A/S, Medtronic Danmark A/S, Medtronic R&D Diabetes Denmark A/S. Luxembourg: Medtronic Advanced Energy Luxembourg S.a.r.l., Medtronic AF Luxembourg S.a.r.l, Medtronic Ardian Luxembourg S.a.r.l., Medtronic CV Luxembourg S.a.r.l., Medtronic IP Holding International Luxembourg S.a.r.l. Sweden: Medtronic Aktiebolag, Vitatron Sweden Aktiebolag. Czech Republic: Medtronic Czechia s.r.o., Vitatron Czechia s.r.o. Czech Republic.</p> | |
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| | <p>Netherlands: Medtronic B.V., Medtronic Bakken Research Center B.V., Medtronic BioPharma B.V., Medtronic Trading NL BV Netherlands, Salient Surgical Technologies B.V., Salient Surgical technologies, Cooperatief U.A., Vitatron Holding B.V., Vitatron Nederland B.V. Belgium: Medtronic Belgium S.A./N.V., Medtronic Europe BVBA/SPRL, Medtronic Spinal and Biologics Europe BVBA, Vitatron Belgium S.A./N.V. Brazil: Medtronic Comercial Ltda., Medtronic do Brasil Ltda. France: Medtronic Fabrication SAS, Medtronic France S.A.S., Medtronic Xomed Instrumentation SAS, NayaMed France S.A.S., Societe De Fabrication de Material Orthopedique En Abrege Sofamor. Finland: Medtronic Finland Oy, Vitatron Finland Oy. Greece: Medtronic Hellas Medical Device Commercial S.A. British Virgin Islands: Medtronic Holdings Unlimited. Hungary: Medtronic Hungaria Kereskedelmi Kft. Korea: Medtronic Korea Co. Ltd. Singapore: Medtronic International Trading Pte. Ltd., Medtronic Singapore Operations Pte. Ltd. Mexico: Medtronic Mexico S. de R.L. de C.V., Medtronic Servicios S. de R.L. de C.V. Portugal: Medtronic Portugal - Comércio e Distribuição de Aparelhos Médicos Lda, Vitatron Portugal - Comércio e Distribuição de Dispositivos Médicos. Colombia: Medtronic Latin America Inc. Sucursal Colombia. Turkey: Medtronic Medical Technology Ticaret Limited Sirketi. Lebanon: Medtronic Mediterranean SAL Beirut. New Zealand: Medtronic New Zealand Limited. Norway: Medtronic Norge AS. Austria: Medtronic Oesterreich G.m.b.H. Poland: Medtronic Poland Sp. z o.o. Argentina: Medtronic S.A.I.C. Slovakia: Medtronic Slovakia s.r.o. Indonesia: PT Medtronic Indonesia. Austria: Lda PortugalVitatron GmbH. Russia: Medtronic LLC.</p> <p>U.S.A.: Medtronic International Trading, Inc., Medtronic International, Ltd., Medtronic Interventional Vascular, Inc., Ablation Development, LLC, Ablation Frontiers L.L.C., ATS Acquisition Corp., CorMedica Corporation,,Invatec, Inc., Kyphon Americas, Inc., Magnolia Medical, LLC, Medtronic 3F Therapeutics, Inc., Medtronic Ablation Frontiers LLC, Medtronic Ablation Reorganization LLC, Medtronic Advanced Energy Acquisition LLC, Medtronic Advanced Energy LLC, Medtronic Advanced Energy Luxembourg S.a.r.l. LLC, Medtronic AF</p> | |
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| | <p>Acquisition LLC, Medtronic Angiolink, Inc., Medtronic Ardian Acquisition LLC, Medtronic Ardian LLC Delaware, Medtronic Ardian Luxembourg S.a.r.l. LLC, Medtronic Asia, Ltd., Medtronic ATS Medical, Inc., Medtronic Bio-Medicus, Inc., Medtronic Braun, Inc., Medtronic China, Ltd., Medtronic CoreValve LLC, Medtronic CV Luxembourg LLC, Medtronic CV Reorganization LLC, Medtronic CV, LLC, Medtronic GBI, Inc., Medtronic International Holding LLC, Medtronic International Technology, Inc., Invatec LLC, Medtronic Jolife LLC, Medtronic KL Holdings LLC, Medtronic Latin America, Inc., Medtronic Logistics LLC, Medtronic Micro Motion Sciences, Inc., Medtronic MiniMed, Inc., Medtronic Navigation, Inc., Medtronic Pacific Trading, Inc., Medtronic PS Acquisition LLC, Medtronic PS Medical, Inc., Medtronic PS Reorganization LLC, Medtronic Sofamor Danek USA, Inc., Medtronic Sofamor Danek, Inc., Medtronic Spine LLC, Medtronic Transneuronix, Inc., Medtronic Urinary Solutions, Inc., Medtronic USA, Inc., Medtronic Vascular, Inc., Medtronic Vertelink, Inc, Medtronic VidaMed, Inc., Medtronic VT, LLC, Medtronic World Trade Corporation, Medtronic Xomed, Inc., Medtronic, Inc., MiniMed Distribution Corp., Nobles Medical Technology, Inc., Osteotech, Inc., Salient Coop Partner LLC, Salient, Inc., Setagon, Inc., SpinalGraft Technologies, LLC, TGM Medical, Inc., Warsaw Orthopedic, Inc.</p> | |
| <p>Boston Scientific, http://www.bostonscientific.com/en-US/home.html</p> | <p>Yes</p> <p>C.R. Bard Inc., Sadra Medical, Inc., Atritech, Inc., Vessix, Cameron Health, Inc. (U.S.A), Rhythmia Inc., Asthmatx, Inc., Intelect Medical, Inc., ReVascular Therapeutics, BridgePoint Medical, Inc., Boston Scientific Benelux NV (Belgium), Boston Scientific česká republika s.r.o. (Czech Republic), Boston Scientific Medizintechnik GmbH (Germany), Boston Scientific Hellas (Greece), Boston Scientific – Clonmel (Ireland), Boston Scientific SpA (Italy), Boston Scientific Middle East S.A.L (Lebanon), Boston Scientific Nederland B.V. (Netherlands), Boston Scientific Polska Sp. Z.o.o (Poland), Boston Scientific Iberica S.A (Spain), Boston Scientific South Africa (Pty) Ltd (South Africa), Boston Scientific Sverige AB (Sweden), Boston Scientific Tıp Gereçleri Ltd Şti (Turkey), Boston Scientific Argentina, Boston Scientific do Brasil Ltda., Boston</p> | <p>Founded 1979, HQ in the U.S.A. with manufacturing presence in Ireland, Costa Rica, France, Japan, China, Brazil, Russia, India, and Puerto Rico and sales presence in Austria, Belgium, Czech Republic, Germany, Greece, Italy, Lebanon, Netherlands, Poland, Portugal, Spain, South Africa, Sweden, Switzerland, Turkey, UK, Argentina, Canada, Mexico, Singapore, Australia, New Zealand, Indonesia, Korea, Malaysia, Philippines, Taiwan, and Thailand. Major product lines: medical devices and technologies used to diagnose or treat a wide range of medical conditions, including heart, digestive, pulmonary, vascular, urological, women's health, and chronic pain conditions</p> |

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| | Scientific Colombia Ltda., Boston Scientific – Coyol (Costa Rica), Boston Scientific de Mexico S.A. de C.V., Boston Scientific del Caribe, Inc. (Puerto Rico), Boston Scientific Asia Pacific Pte Ltd (Singapore), Boston Scientific ANZ (Australia, New Zealand), Boston Scientific Hong Kong Ltd., Boston Scientific India Pvt. Ltd., PT Boston Scientific Indonesia, Boston Scientific Korea, Boston Scientific (Malaysia) Sdn Bhd, Boston Scientific Philippines, Inc, Boston Scientific International B.V. (Taiwan), and Boston Scientific Thailand Ltd. | |
|--|---|--|

Competition Analysis

The following selection is a competitive analysis based on secondary research methods such as Kompass database, Hoover's, Dunn and Bradstreet, company websites, ABC Manufacturing's competitor list, and Google Internet searches. Information on search results and specific companies is listed below. Follow up research, including primary research, may be conducted by the company and added to these findings. Much of the information is limited to what was found on the business' website. International companies are limited to those with translatable websites.

| Domestic and International Competitors | | | |
|---|------------------------------------|---|---|
| Company Name and Information | Signs of Exporting | Subsidiaries, Joint Ventures, or Partners | Comments |
| TBS Group http://www.italtbs.com/en/about-us/profile.html | Yes | Operates in 19 countries with over 20 subsidiaries. Each subsidiary possesses a high level of specialization and knowledge of the local market in which it operates: Austria, Belgium, Chile, China, France, Germany, India, Italy, Peru, Portugal, Serbia, Spain, Netherlands, UK, UAE, Gabon, and Switzerland | HQ in Italy. Founded in the late 1980s as an advanced clinical engineering service provider with a high level of specialization. operates with two Business Units: Medical Devices and ICT systems; Integrated Solutions of e-Health&e-Government |
| EndoChoice http://www.endochoice.com/ | Yes, though no countries specified | | HQ in the U.S.A., focused on the manufacturing and commercialization of platform technologies including devices, diagnostics, infection control and endoscopic imaging for specialists treating a wide range of gastrointestinal (GI) diseases. |
| Zhejiang Tiansong Medical Instrument Co., | Yes | Hangzhou Tonglu Sophisticated Endoscopes Co., Ltd. | HQ in China. Founded in 1998, the company specializes in the development, manufacturing, sales |

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| Ltd. http://www.zj-tiansong.com/index-en.html | | | and related service of medical instruments. Offering a wide range of products including bronchoscopy and esophagoscopy related products. |
| Shenyang Shenda Endoscope, Co., Ltd. http://en.china-endoscope.com/ | Yes | | HQ in China. Established in the 1980s with headquarters in China, the company is a pioneer and manufacturer of medical rigid endoscopes. Its products are used in minimally invasive operations. The company participated in the 72 nd CMEF and the MEDICA in 2014. |
| Canada Endoscope Corp http://canadaendoscope.ca/ | No | | HQ in Canada. Founded in 1998, the company is a privately held and family owned company specializing in medical device and manufacturing for the endoscope marketplace. The company carries a full line of rigid endoscopes and has manufacturing capabilities to build laryngoscopes, sinusscopes, and customized scopes to meet its customers' needs. |
| Endoscope Technology Inc. (Estech) http://www.estech.com/ | Yes | Estech was acquired by AtriCure, Inc., a leading Atrial Fibrillation medical device provider, on January 2, 2014. | HQ in U.S.A. Estech is one of only a few companies focused solely on cardiac surgeons. The company develops and markets a broad portfolio of innovative medical devices and disposables that enables minimally invasive surgical procedures. |
| Endoscope Precision Parts Endoscope Precision Parts http://endoscopecomponent.com/ | No | | HQ in U.S.A. The company specializes in high quality injection molded plastic and rubber components for all aspects of today's high-tech industry needs for endoscope components, all of which are manufactured by supplier partners according to the highest standards of quality set by the relevant equipment industry. |
| Associated Endoscopy, Inc. (AEI) http://www.aeiscopes.com/ | No | | HQ in U.S.A. AEI offers endoscopy equipment, ranging from single scope to complete tower system that has been expertly reconditioned and rebuilt by their manufacturer trained technicians. Accessories that go along with the equipment are also sold by AEI. |
| Endoscope Service | Yes | | HQ in U.K. With over 40 years of |

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| <p>Centre Ltd. http://www.endoscopesc.co.uk/</p> | | | <p>medical industry experience, the company provides hospitals with a high quality endoscope repair service. Repairs are made within 3 business days upon receipt of approval of quote.</p> |
| <p>Machida Endoscope Co., Ltd. http://www.machida-eds.co.jp/index_e.html</p> | No | | <p>HQ in Japan. The company was founded as a manufacturer of medical endoscopes in 1956 and has expanded into advanced industrial fields, such as industrial endoscopes, optical sensors and laser related equipment.</p> |
| <p>Global Endoscope Training Ltd.</p> | N/A | | <p>Listed as lead in OneSource database, but no info available.</p> |
| <p>Philips Medical Systems International B.V. http://www.medical.philips.com/</p> | | <p>Parent company is Koninklijke Philips NV which has over 200 subsidiaries globally.</p> | <p>HQ in the Netherlands. The Healthcare segment consists of four businesses: imaging systems (38%), Customer Services (26%), Home Healthcare Solutions (14%), and Patient Care & Clinical Informatics (22%). This segment's sales and service offices are located in various countries with manufacturing operations in the Netherlands, Germany, Finland, Israel and the US. Koninklijke Philips N.V. (Philips) principally involves in developing and manufacturing medical systems, consumer electronics and lighting products.</p> |
| <p>Medtronic, Inc. http://www.medtronic.com/</p> | Yes | <p>Serving over 140 countries through many subsidiaries</p> | <p>HQ in U.S.A. Medtronic develops and manufactures a wide range of products and therapies to diagnose, prevent and monitor chronic conditions. Under its Restorative Therapies Group, the business markets powered tissue-removal systems and other micro-endoscopy instruments, nerve monitoring systems, and disposable fluid control products.</p> |
| <p>Olympus Corp http://www.olympusamerica.com/</p> | Yes | | <p>HQ in Japan. Olympus Corp designs and delivers innovative solutions in four areas: Cameras and audio, Medical and Surgical, Life Science and Imaging Systems, and Industrial Measuring and Imaging. The Medical</p> |

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| | | | and Surgical solutions include various endoscopic technologies developed by Olympus. Olympus is responsible for the first endoscope system featuring high-definition technology. |
| Boston Scientific - Saint Paul http://www.bostonscientific.com/en-US/home.html | Yes | | HQ in U.S.A. Boston Scientific offers products and technologies that are used to diagnose or treat a wide range of medical conditions. Endoscopic related products are offered under the Gastroenterology and Pulmonology specialties. |

Market Analysis

International Target Market Discussion

As mentioned in the Customer Analysis section, ABC Manufacturing sells its products to medical, surgical equipment repair facilities that contract directly with hospitals and other health facilities to repair bronchoscopes, colonoscopes, gastroscopes, and ureteroscopes. The aforementioned IBISWorld industry report identified four key buying industries within the United States. Upon researching available industry reports and reviewing market research indicators with local Enterprise Florida and U.S. Commercial Service representatives, the following buying industries were chosen as the focus of international market research for this plan:

(As listed on NAICS database)⁷

334510 Electromedical and Electrotherapeutic Apparatus Manufacturing

See Industry Analysis on pp. 8-10.

The following two industries are closely related and as such are analyzed as one industry below.

62149 Emergency and Other Outpatient Care Centers

This industry comprises establishments with medical staff primarily engaged in providing general or specialized outpatient care (except family planning centers and outpatient mental health and substance abuse centers). Centers or clinics of health practitioners with different degrees from more than one industry practicing within the same establishment (i.e., Doctor of Medicine and Doctor of Dental Medicine) are included in this industry.

621493 Freestanding Ambulatory Surgical and Emergency Centers

Corresponding Index Entry: Ambulatory surgical centers and clinics, freestanding; Freestanding ambulatory surgical centers and clinics

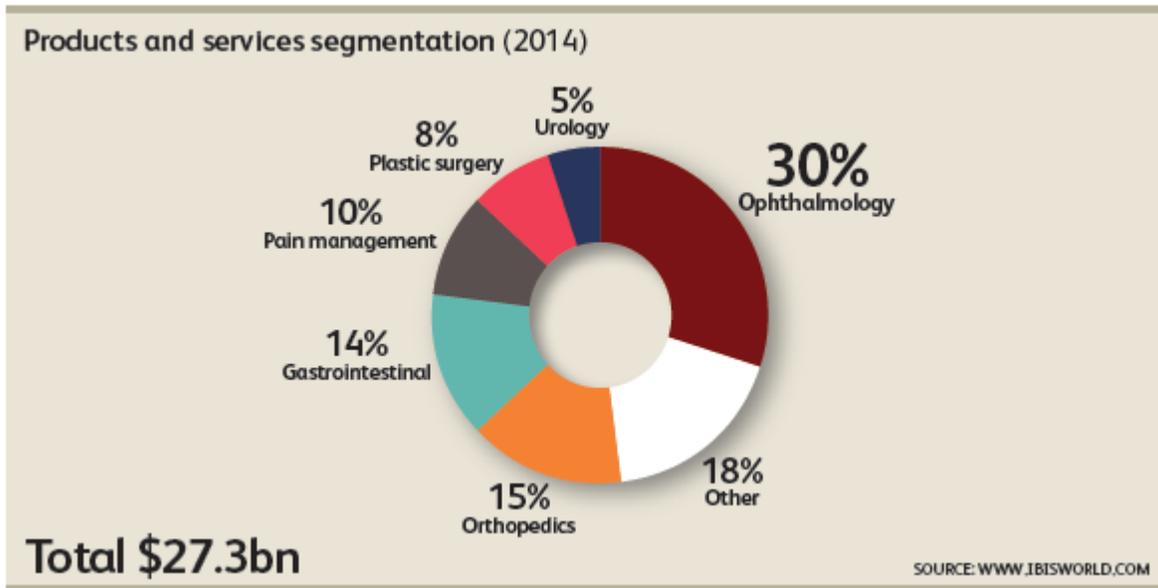
This U.S. industry comprises establishments with physicians and other medical staff primarily engaged in (1) providing surgical services (e.g., orthoscopic and cataract surgery) on an outpatient basis or (2) providing emergency care services (e.g., setting broken bones, treating lacerations, or tending to patients suffering injuries as a result of accidents, trauma, or medical conditions necessitating immediate medical care) on an outpatient basis. Outpatient surgical establishments have specialized facilities, such as operating and recovery rooms, and specialized equipment, such as anesthetic or X-ray

⁷ <https://www.census.gov/eos/www/naics>

equipment.

According to an IBISWorld industry report⁸, over the past five years the Ambulatory Surgery Centers (ASC) industry has grown rapidly as a result of improving macroeconomic conditions and increasing government emphasis on healthcare. Additionally, ASCs have thrived because of efficient cost structures and the increasing ability of centers to treat patient needs. New technological advancements, such as laparoscopic surgery and improvements to anesthesia, have driven industry growth because patients can be processed more quickly than ever before. Consequently, U.S. industry revenue is forecast to expand at an average annual rate of 5.8% to \$27.3 billion over the five years to 2014.

Gastrointestinal (GI) procedures performed in ambulatory surgery centers primarily include operations on the stomach and intestine. More specifically, colonoscopies and procedures related to hemorrhoids are included in this segment. IBISWorld cites a report from the ASC Coalition suggesting an increased importance placed on colorectal cancer screening buoyed this segment’s share of industry revenue in recent years; however, growth in the number of specialists related to GI conditions has underperformed the industry’s other segments over the five-year period. Consequently, in 2014, GI procedures are anticipated to account for 14.0% of industry revenue, which represents a falling proportion of revenue from 2009.



A low level of globalization characterizes the Ambulatory Surgery Centers industry. Most of the firms in this industry are domestically owned and serve local and regional markets.

Major Players in this industry are: AmSurg Corp, Surgical Care Affiliates LLC, United Surgical Partners International, Inc.

⁸ See reference to full report in Appendix

Trade Associations and Trade Shows for further target company research

It is suggested that ABC Manufacturing conduct further research of the following trade associations and trade shows relating to target market industries as a means to gather specific information about company membership. These companies may serve as a prospect pool for further international marketing. Enterprise Florida and U.S. Commercial Service representatives may also provide guidance on industry-specific trade shows and associations to investigate. Also see the export.gov healthcare tradeshow webpage: http://export.gov/industry/health/eg_main_032141.asp

Trade Shows

Arab Health (Dubai, UAE), <http://www.arabhealthonline.com/>

Biotechnica, Germany, <http://www.biotechnica.de/home>

Hospitalar, Brazil, <http://www.hospitalar.com/ingles/>

Medical Fair Brno, Czech Republic, <http://www.czechtrade-usa.us/trade-shows/medical-fair-brno-rehaprotex-767/>

Medica, Germany, <http://www.medica-tradefair.com/>

ROMMEDICA, Romania, <http://www.rommedica.ro/about>

Salmed, Poland, <http://www.salmed.pl/en/>

Medtec Ireland, <http://www.medteceireland.com/>

COMPAMED, Germany, <http://www.compamed-tradefair.com/>

Expo Med, Mexico, <http://www.expomed.com.mx/>

MEDXPO, Saudi Arabia, <http://medexposaudi.com/>

MEDTEC UK, <http://www.medteceurope.com/uk>

MEDTECH Japan, http://www.medtecjapan.com/en/en_abstr_medtec1406

Trade Associations

SelectUSA: Site on the medical device industry in the U.S.

<http://selectusa.commerce.gov/industry-snapshots/medical-device-industry-united-states>

Medical Device Manufacturers Association (MDMA)

<http://www.medicaldevices.org/>

Advanced Medical Technology Association (AdvaMed)

<http://advamed.org/>

The Center for Devices and Radiological Health

<http://www.fda.gov/AboutFDA/CentersOffices/OfficeofMedicalProductsandTobacco/CDRH/>

European Coordination Committee of the Radiological, Electromedical, and Healthcare IT Industry (COCIR)

<http://www.cocir.org/>

Global Diagnostic Imaging, Healthcare IT, & Radiation Therapy Trade Association (DITTA)

<http://globalditta.org/about/>

Global Endoscopy and Gastroenterology Societies

Argentina

Federación Argentina de Gastroenterología (FAGE)

www.fage.org.ar

Belgium

Vlaamse Vereniging van Gastroenterologie

www.vvge.be

Australia

Gastroenterological Society of Australia

www.gesa.org.au

Brazil

Federacao Brasileira de Gastroenterologia

www.fbg.org.br

Canada
Canadian Association of Gastroenterology
www.cag-acg.org

Chile
Sociedad Chilena de Gastroenterología
www.sociedadgastro.cl

China
Chinese Society of Gastroenterology (CSGE)
www.csge.org

Croatia
Croatian Society of Gastroenterology
www.hgd.hr

Finland
Finnish Society of Gastroenterology
www.terveysportti.fi

France
Société Nationale Française de Gastro-Entérologie
www.snfge.asso.fr

Germany
German society for Gastroenterology
www.dgvs.de

Greece
Hellenic Society of Gastroenterology
www.hsg.gr

Hong Kong
Hongkong Society of Gastroenterology
www.hksge.org

Hungary
Hungarian Society of Gastroenterology
www.gastroent.hu

Italy
Società Italiana di Gastroenterologia
www.sigeitalia.org

Japan
Japanese Society of Gastroenterology
www.jsge.or.jp

Korea
Korean Gastroenterology Society
www.gastrokorea.org

Luxembourg
Société Luxembourgeoise de Gastro-Entérologie
www.ammd.lu/gastro-enterologie

Mexico
Asociacion Mexicano Cirguia Endoscopia
www.amce.com.mx/

Mexico
Asociacion Mexicana de Gastroenterologia
www.gastro.org.mx

New Zealand
New Zealand Society of Gastroenterology
www.nzsg.org.nz

Peru
Sociedad de Gastroenterologia del Peru
www.socgastro.org.pe

Philippines
Philippine Society of Gastroentrolgy
www.psgastro.org

Poland
Polish Society of Gastroenterology
www.ptg-e.org.plp

Portugal
Socieda Portuguesa de Gastroenterologia
www.spg.pt

Slovak Republic
Slovak Society of Gastroenterology
www.sgssls.sk

South Africa
South African Gastroenterological Society
www.gastrofoundation.co.za

Spain
Sociedad Española de Patología Digestiva
www.sepd.org

Switzerland
Swiss Society Gastroenterology & Hepatology
www.sggssg.ch

Turkey
Turkish Society of Gastroenterology
www.tgd.org.tr

The Netherlands
Ned. Vereniging voor Gastroenterologie
www.nvge.nl

United Kingdom
British Society of Gastroenterology
www.bsg.org.uk

Tunisia
Tunisian Society of Gastroenterology
www.stge.org.tn

United States
The American Gastroenterological Association
www.gastro.org

International Marketing Metrics (IMM)

A customized International Marketing Metrics (IMM) was developed for ABC Manufacturing to serve as a tool to help identify, organize, and rank potential international markets. The IMM is a ranking system created using the following steps:

1. Identify countries or regions of interest.
2. Identify market indicators likely to lead to international success.
3. Assign rankings to each country based on the relative value of each indicator.
4. Assign weights or relative measure of importance to each indicator.
5. Multiply the ranking by the weights to arrive at a point value for each indicator.
6. Sum the point values for each indicator for each country to arrive at a total country score.

The result is a country ranking valuable for identifying countries or regions that should be explored further. An interactive excel version of the IMM was provided to ABC Manufacturing in addition to this report.

Based on competitive research and discussions with industry leaders, ABC Manufacturing feels the following product-specific indicators are also important in further evaluating potential countries for export. With this in mind, the information below describes each indicator, why it was chosen, and how the information was obtained.

The following tables show a sampling of the 5-year trend of global imports, U.S.-origin imports, percent U.S. market share for each HS code being researched.

HS 9018.19 Global Trade Flow 5-year Snapshot

| Country | 2009 | | | 2010 | | | 2011 | | | 2012 | | | 2013 | | |
|----------------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|
| | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share |
| Canada | 260,374,365 | 117,728,118 | 45.21% | 278,300,568 | 125,024,655 | 44.92% | 300,382,009 | 135,890,155 | 45.24% | 303,739,427 | 145,076,062 | 47.76% | 299,614,360 | 144,173,576 | 48.12% |
| Mexico | 71,915,491 | 37,695,489 | 52.42% | 119,843,161 | 66,329,439 | 55.35% | 132,667,518 | 64,149,125 | 48.35% | 144,446,746 | 68,725,040 | 47.58% | 180,143,827 | 64,559,200 | 35.84% |
| Japan | 302,807,281 | 94,318,538 | 31.15% | 354,325,257 | 96,737,213 | 27.87% | 402,309,157 | 124,397,493 | 30.92% | 473,470,659 | 134,047,414 | 28.31% | 368,649,653 | 133,295,721 | 36.16% |
| Rep. of Korea | 120,510,342 | 66,072,058 | 56.49% | 146,303,603 | 85,985,973 | 58.77% | 145,757,368 | 79,900,286 | 54.92% | 159,216,053 | 77,851,484 | 48.90% | 164,385,231 | 74,658,148 | 45.42% |
| Netherlands | 308,492,967 | 178,175,533 | 57.76% | 302,573,620 | 189,559,766 | 62.65% | 327,677,968 | 141,698,760 | 43.24% | 307,765,133 | 124,536,331 | 40.46% | 298,929,824 | 128,489,296 | 42.98% |
| Brazil | 91,099,180 | 30,462,311 | 33.44% | 180,961,712 | 76,022,000 | 42.23% | 131,800,005 | 49,176,059 | 37.31% | 123,702,715 | 47,159,544 | 38.12% | 147,804,658 | 39,763,131 | 26.90% |
| China, Hong Kong Sar | 157,408,537 | 61,390,409 | 39.00% | 190,361,016 | 69,094,034 | 36.26% | 202,466,344 | 82,118,011 | 40.56% | 202,607,311 | 66,799,488 | 32.97% | na | na | na |
| France | 248,054,251 | 100,346,501 | 40.45% | 188,942,695 | 80,924,316 | 42.83% | 187,891,152 | 76,784,430 | 40.87% | 174,828,467 | 68,139,249 | 38.97% | 202,188,137 | 75,515,111 | 37.35% |
| Singapore | 92,155,554 | 54,806,846 | 59.47% | 69,360,684 | 43,317,867 | 62.45% | 130,388,343 | 59,459,788 | 45.60% | 234,857,073 | 75,461,980 | 32.13% | 152,643,666 | 63,874,122 | 41.85% |
| Australia | 108,616,150 | 56,472,376 | 51.99% | 127,641,013 | 62,050,364 | 48.67% | 140,110,122 | 68,749,933 | 49.06% | 139,935,461 | 66,752,125 | 47.70% | 140,168,939 | 66,079,847 | 47.14% |
| Switzerland | 59,279,098 | 16,650,805 | 28.09% | 65,018,091 | 19,816,638 | 30.48% | 70,705,223 | 24,108,658 | 34.10% | 70,468,346 | 23,252,717 | 33.00% | 84,750,331 | 37,039,825 | 43.70% |
| Colombia | 19,773,048 | 6,364,883 | 32.19% | 27,317,783 | 9,792,185 | 35.85% | 30,075,438 | 10,365,786 | 34.53% | 31,372,542 | 10,993,970 | 35.04% | 37,737,065 | 14,282,092 | 37.85% |
| Saudi Arabia | 0 | 0 | 0 | 84,166,241 | 38,166,181 | 45.35% | 72,437,693 | 32,027,507 | 44.21% | 78,371,585 | 38,548,315 | 49.19% | 85,735,907 | 34,861,736 | 40.66% |
| Italy | 163,149,975 | 26,165,716 | 16.04% | 176,442,372 | 26,034,015 | 14.75% | 162,735,337 | 24,189,673 | 14.86% | 135,947,619 | 11,693,767 | 8.63% | 143,936,972 | 12,298,243 | 8.54% |
| Chile | 11,460,803 | 4,729,265 | 41.26% | 15,520,312 | 6,565,778 | 42.30% | 20,112,469 | 7,276,821 | 36.18% | 16,872,073 | 7,097,693 | 37.61% | 27,049,963 | 10,736,802 | 39.69% |
| Israel | 31,941,000 | 7,661,000 | 23.98% | 39,007,000 | 9,226,000 | 23.65% | 44,136,000 | 10,245,000 | 23.21% | 62,866,000 | 15,440,000 | 24.56% | 69,424,000 | 14,079,000 | 20.28% |
| Turkey | 64,972,534 | 17,326,804 | 26.67% | 57,013,468 | 13,929,806 | 24.43% | 68,479,903 | 15,569,999 | 22.74% | 62,733,953 | 16,007,322 | 25.52% | 78,100,534 | 17,665,596 | 22.61% |
| Panama | 7,962,217 | 5,435,582 | 68.27% | 6,152,575 | 5,165,671 | 83.96% | 10,086,627 | 6,844,985 | 67.78% | 9,674,930 | 4,500,434 | 44.01% | 4,094,310 | 1,285,808 | 31.40% |
| Peru | 8,661,739 | 1,893,641 | 21.86% | 10,565,988 | 2,614,771 | 24.75% | 10,667,371 | 2,769,937 | 25.97% | 9,674,930 | 2,995,780 | 30.96% | 18,575,545 | 5,338,508 | 28.74% |
| Philippines | 2,838,534 | 833,983 | 29.38% | 4,712,582 | 1,062,014 | 22.54% | 6,326,168 | 1,806,589 | 28.56% | 9,077,597 | 1,947,672 | 21.46% | 7,100,805 | 2,273,317 | 31.88% |
| Dominican Rep. | 1,929,538 | 1,367,457 | 70.87% | 919,422 | 393,066 | 42.75% | 7,625,907 | 1,403,065 | 18.40% | 2,847,536 | 1,240,691 | 43.57% | na | na | na |
| Ireland | 36,956,713 | 16,646,438 | 45.04% | 37,347,201 | 12,146,776 | 32.52% | 43,405,750 | 14,165,287 | 32.68% | 51,922,680 | 10,309,744 | 20.14% | 52,880,518 | 10,649,659 | 20.14% |
| Costa Rica | 4,558,436 | 3,389,467 | 74.36% | 4,809,950 | 3,190,539 | 65.06% | 6,090,684 | 3,101,366 | 50.92% | 5,627,529 | 2,911,587 | 49.96% | 6,503,570 | 3,653,565 | 56.18% |

Reset Order

HS 9018.50 Global Trade Flow 5-year Snapshot

| Country | 2009 | | | 2010 | | | 2011 | | | 2012 | | | 2013 | | |
|----------------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|
| | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share |
| Canada | 74,221,103 | 50,626,325 | 68.2% | 86,420,770 | 57,236,491 | 64.7% | 95,782,738 | 66,226,538 | 69.1% | 92,965,401 | 59,322,160 | 63.8% | 100,459,675 | 62,612,620 | 62.3% |
| Mexico | 22,592,143 | 11,291,886 | 49.9% | 30,531,111 | 15,671,373 | 51.3% | 35,289,433 | 17,581,323 | 49.8% | 43,462,861 | 27,151,038 | 62.4% | 35,093,865 | 17,834,524 | 50.8% |
| Japan | 253,640,188 | 162,032,376 | 63.8% | 267,837,604 | 176,258,679 | 65.8% | 298,189,133 | 193,741,079 | 64.9% | 299,883,687 | 188,022,202 | 62.7% | 283,202,518 | 194,803,734 | 68.8% |
| Rep. of Korea | 48,210,008 | 15,504,089 | 32.1% | 72,490,924 | 21,430,234 | 29.5% | 83,434,588 | 23,526,949 | 28.2% | 70,203,227 | 20,547,800 | 29.2% | 99,989,721 | 16,982,855 | 16.9% |
| Netherlands | 171,146,768 | 64,108,376 | 37.4% | 163,556,515 | 74,106,505 | 45.2% | 182,889,000 | 83,509,101 | 45.6% | 198,649,465 | 78,901,303 | 39.7% | 239,239,415 | 74,676,847 | 31.2% |
| Brazil | 23,359,624 | 16,502,754 | 70.6% | 35,303,737 | 22,844,793 | 64.7% | 47,081,550 | 24,939,030 | 52.9% | 53,720,767 | 31,517,946 | 58.6% | 59,743,324 | 28,672,111 | 47.9% |
| China, Hong Kong Sar | 42,806,866 | 25,541,963 | 59.6% | 48,801,271 | 25,037,670 | 51.3% | 61,891,386 | 25,334,535 | 41.0% | 76,787,263 | 31,354,850 | 40.8% | na | na | na |
| France | 188,106,396 | 74,440,287 | 39.5% | 209,989,936 | 87,554,350 | 41.6% | 222,964,819 | 88,846,090 | 39.8% | 231,483,072 | 92,268,068 | 39.8% | 226,636,128 | 90,012,022 | 39.7% |
| Singapore | 49,606,596 | 9,642,457 | 19.4% | 62,744,950 | 10,572,239 | 16.8% | 67,705,890 | 10,744,575 | 15.8% | 50,453,797 | 9,235,211 | 18.3% | 49,675,181 | 10,739,739 | 21.6% |
| Australia | 61,682,833 | 28,214,419 | 45.7% | 64,172,855 | 31,613,887 | 49.2% | 79,966,133 | 37,512,126 | 46.9% | 90,382,310 | 48,431,540 | 53.5% | 82,367,472 | 39,933,169 | 48.5% |
| Switzerland | 38,795,606 | 5,079,554 | 13.0% | 38,578,398 | 5,468,217 | 14.1% | 45,192,329 | 6,811,687 | 15.0% | 48,285,906 | 12,391,092 | 25.5% | 55,219,422 | 12,288,783 | 22.2% |
| Colombia | 5,351,916 | 2,850,255 | 53.2% | 8,154,032 | 3,669,029 | 45.0% | 8,634,274 | 3,490,351 | 40.4% | 11,952,121 | 5,935,281 | 52.2% | 11,752,345 | 6,131,571 | 52.1% |
| Saudi Arabia | 133,878 | 0 | 0.0% | 25,412,566 | 8,667,744 | 34.0% | 27,843,236 | 9,454,412 | 33.9% | 28,335,502 | 10,760,547 | 38.0% | 36,879,436 | 12,139,317 | 32.9% |
| Italy | 119,099,320 | 33,060,186 | 27.7% | 117,645,766 | 37,996,531 | 32.3% | 122,969,412 | 37,327,067 | 30.3% | 112,657,176 | 34,605,908 | 30.7% | 115,482,801 | 35,951,272 | 31.1% |
| Chile | 13,417,443 | 8,760,313 | 65.2% | 13,880,012 | 7,759,770 | 55.9% | 18,525,769 | 9,450,859 | 51.0% | 20,385,932 | 10,865,980 | 53.3% | 24,382,352 | 12,347,760 | 50.6% |
| Israel | 10,782,000 | 3,095,000 | 28.7% | 11,966,000 | 3,407,000 | 28.4% | 10,557,000 | 2,919,000 | 27.6% | 13,375,000 | 3,915,000 | 29.2% | 11,651,000 | 3,141,000 | 26.9% |
| Turkey | 32,904,714 | 12,306,113 | 37.4% | 42,033,923 | 14,868,149 | 35.3% | 40,887,524 | 14,600,919 | 35.8% | 43,475,225 | 15,463,072 | 35.5% | 40,044,730 | 14,922,327 | 37.2% |
| Panama | 1,725,537 | 593,440 | 34.3% | 2,047,068 | 889,285 | 43.4% | 2,033,330 | 840,796 | 41.3% | 1,131,399 | 727,310 | 64.2% | 1,025,859 | 681,444 | 66.4% |
| Peru | 6,962,572 | 3,093,484 | 44.4% | 8,868,838 | 3,253,623 | 36.8% | 8,378,381 | 3,249,551 | 38.7% | 9,153,536 | 3,650,034 | 40.0% | 10,996,594 | 4,944,194 | 44.9% |
| Philippines | 3,666,293 | 2,371,267 | 64.6% | 5,390,830 | 2,326,713 | 43.1% | 7,812,580 | 3,763,838 | 48.1% | 6,820,889 | 4,539,408 | 66.5% | 8,619,631 | 4,117,912 | 47.7% |
| Dominican Rep. | 1,442,272 | 1,052,373 | 72.9% | 1,237,678 | 708,292 | 56.9% | 1,629,423 | 817,389 | 50.2% | 1,859,903 | 963,770 | 51.6% | na | na | na |
| Ireland | 10,243,230 | 3,416,861 | 33.3% | 8,757,253 | 2,493,398 | 28.4% | 7,833,443 | 1,394,480 | 17.8% | 7,259,885 | 740,313 | 10.2% | 7,499,246 | 764,722 | 10.2% |
| Costa Rica | 1,123,772 | 666,633 | 59.3% | 1,752,011 | 660,845 | 37.7% | 2,486,963 | 1,261,637 | 50.7% | 1,656,159 | 746,945 | 45.1% | 2,952,007 | 2,051,964 | 69.5% |
| South Africa | 20,803,908 | 11,739,969 | 56.4% | 28,282,966 | 15,298,143 | 54.0% | 30,267,400 | 15,539,897 | 51.3% | 32,915,278 | 14,201,249 | 43.1% | 33,777,661 | 15,426,502 | 45.7% |

HS 9018.90 Global Trade Flow 5-year Snapshot

| Country | 2009 | | | 2010 | | | 2011 | | | 2012 | | | 2013 | | |
|----------------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|
| | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share | Global Imports by Country | Global U.S. Market Share | % U.S. Share |
| Canada | 331,903,405 | 545,914,069 | 58.58% | 984,050,635 | 579,362,130 | 58.88% | 1,107,033,289 | 643,146,123 | 58.10% | 1,184,729,514 | 673,601,213 | 56.86% | 1,184,190,034 | 621,207,101 | 53.36% |
| Mexico | 880,355,002 | 695,342,665 | 78.98% | 1,020,266,384 | 808,667,117 | 79.26% | 1,148,478,873 | 912,319,318 | 79.49% | 1,098,750,397 | 879,613,002 | 80.06% | 1,212,769,498 | 955,436,248 | 78.78% |
| Japan | 1,298,728,308 | 598,838,117 | 46.11% | 1,481,098,121 | 674,721,619 | 45.56% | 1,817,149,125 | 845,678,866 | 46.52% | 2,089,031,957 | 1,007,301,100 | 48.22% | 2,229,635,272 | 1,081,963,959 | 48.55% |
| Rep. of Korea | 518,261,396 | 247,720,655 | 47.80% | 594,773,969 | 258,400,454 | 43.45% | 689,013,302 | 280,867,869 | 37.86% | 687,477,028 | 231,237,111 | 34.65% | 704,194,463 | 233,965,679 | 33.23% |
| Netherlands | 1,220,330,000 | 488,448,356 | 40.03% | 1,470,703,301 | 587,785,045 | 39.97% | 1,853,996,857 | 713,103,965 | 38.34% | 1,814,839,961 | 820,489,021 | 45.21% | 1,911,803,250 | 891,323,785 | 46.62% |
| Brazil | 263,008,935 | 100,264,062 | 38.12% | 345,187,371 | 146,793,775 | 42.53% | 403,337,158 | 178,848,533 | 44.34% | 466,020,803 | 205,626,741 | 44.12% | 524,723,954 | 256,849,585 | 48.95% |
| China, Hong Kong Sar | 299,457,590 | 73,854,291 | 24.66% | 361,925,524 | 94,522,834 | 26.12% | 378,563,692 | 111,481,495 | 29.45% | 372,961,862 | 94,656,073 | 25.36% | na | na | na |
| France | 1,780,820,751 | 352,797,799 | 19.81% | 1,830,314,694 | 337,435,628 | 18.44% | 1,958,430,126 | 353,828,396 | 18.07% | 1,922,761,975 | 388,340,768 | 20.20% | 2,046,277,857 | 417,322,005 | 20.39% |
| Singapore | 514,983,292 | 214,978,728 | 41.74% | 698,642,239 | 322,573,828 | 46.17% | 863,783,623 | 351,580,361 | 40.42% | 1,092,661,140 | 410,203,521 | 37.54% | 1,446,555,717 | 666,114,131 | 46.05% |
| Australia | 867,442,584 | 404,230,335 | 46.60% | 987,436,811 | 431,894,212 | 43.74% | 1,136,759,064 | 496,696,979 | 43.69% | 1,219,418,449 | 532,164,134 | 43.64% | 1,205,003,745 | 584,232,064 | 48.82% |
| Switzerland | 687,699,639 | 171,128,621 | 24.88% | 764,711,775 | 185,795,984 | 24.30% | 929,144,628 | 235,412,184 | 25.34% | 970,395,572 | 308,620,563 | 31.80% | 1,054,592,285 | 334,946,184 | 31.76% |
| Colombia | 114,701,584 | 42,800,536 | 37.31% | 140,396,929 | 45,911,629 | 32.70% | 190,800,322 | 54,802,910 | 28.72% | 214,679,329 | 58,403,392 | 27.20% | 212,068,203 | 58,610,135 | 27.64% |
| Saudi Arabia | 9,566,148 | 624,320 | 6.53% | 200,979,179 | 76,477,429 | 38.05% | 283,333,156 | 102,670,528 | 36.24% | 355,724,711 | 135,800,970 | 38.19% | 423,320,997 | 153,490,485 | 36.25% |
| Italy | 1,944,772,493 | 255,897,590 | 16.57% | 1,553,073,642 | 289,877,259 | 18.65% | 1,500,733,803 | 287,024,565 | 17.79% | 1,317,232,145 | 193,759,539 | 10.61% | 1,364,568,884 | 112,530,440 | 8.25% |
| Chile | 71,240,821 | 23,510,217 | 33.00% | 86,537,260 | 30,091,787 | 34.77% | 124,183,156 | 41,023,030 | 33.04% | 144,959,696 | 47,103,637 | 32.50% | 228,180,116 | 58,339,373 | 25.57% |
| Israel | 104,958,000 | 37,770,000 | 35.99% | 127,249,000 | 48,897,000 | 38.27% | 136,618,000 | 47,741,000 | 34.94% | 199,449,000 | 55,200,000 | 39.59% | 154,387,000 | 62,338,000 | 40.38% |
| Turkey | 341,421,681 | 80,460,843 | 23.57% | 365,655,467 | 95,665,816 | 26.17% | 448,004,186 | 109,618,768 | 24.25% | 408,951,080 | 95,630,998 | 23.36% | 439,193,807 | 97,763,168 | 22.26% |
| Panama | 21,775,872 | 8,493,956 | 39.01% | 24,971,303 | 12,646,859 | 50.65% | 39,896,590 | 22,782,594 | 57.10% | 36,213,526 | 16,193,781 | 44.72% | 39,993,008 | 12,392,952 | 30.99% |
| Peru | 45,477,564 | 14,677,079 | 32.27% | 46,475,775 | 11,468,348 | 24.68% | 55,941,275 | 12,248,242 | 22.07% | 60,533,865 | 12,629,305 | 20.86% | 81,169,488 | 18,429,410 | 22.77% |
| Philippines | 59,731,071 | 10,796,321 | 18.07% | 53,861,519 | 8,440,637 | 15.67% | 59,894,680 | 9,900,373 | 16.53% | 64,092,699 | 10,899,882 | 17.01% | 70,715,845 | 12,479,250 | 17.65% |
| Dominican Rep. | 41,935,932 | 27,575,649 | 65.76% | 63,370,493 | 43,457,886 | 67.93% | 67,878,150 | 42,511,597 | 62.63% | 108,320,391 | 55,368,045 | 51.12% | na | na | na |
| Ireland | 322,544,774 | 84,847,945 | 26.31% | 293,462,084 | 64,402,202 | 21.94% | 279,983,917 | 66,903,960 | 23.95% | 415,557,071 | 86,510,074 | 20.82% | 423,258,246 | 89,365,036 | 20.82% |
| Costa Rica | 15,659,806 | 11,381,484 | 71.76% | 22,717,448 | 14,210,913 | 62.56% | 36,413,000 | 22,370,835 | 61.44% | 172,038,606 | 107,953,454 | 62.75% | 149,490,784 | 91,822,059 | 61.42% |
| South Africa | 283,541,999 | 92,403,318 | 32.59% | 321,330,280 | 114,781,864 | 35.72% | 390,271,034 | 124,873,814 | 32.00% | 406,132,465 | 116,176,155 | 28.61% | 382,674,352 | 110,348,130 | 28.84% |

Reset Order

IMM Indicator Discussion

Indicator 1: National GDP (PPP)

2013 values. PPP GDP is gross domestic product converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GDP as the U.S. dollar has in the United States. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current international dollars. Minimally invasive procedures are more accessible to middle- and upper-income populations. National GDP is a universal indicator to determine upper- to middle-economic class economies, and as such serves as an appropriate filter for this study. Source: World Bank data

Indicator 2: Urban Population (percent of total population)

2013 values. Urban population refers to people living in urban areas as defined by national statistical offices. It is calculated using World Bank population estimates and urban ratios from the United Nations World Urbanization Prospects. Percentage urban population is used as an indication that a country holds the infrastructure, resources, and wealth to support a reliable medical device manufacturing sector. Source: World Bank data

Indicator 3: Ease of Doing Business Index

2013 values. (1=most business-friendly regulations) Ease of doing business ranks economies from 1 to 189, with first place being the best. A high ranking (a low numerical rank) means that the regulatory environment is conducive to business operation. This index averages the country's percentile rankings on 10 topics, made up of a variety of indicators, giving equal weight to each topic (starting a business; dealing with construction permits; getting electricity; registering property; getting credit; protecting investors; paying taxes; trading across borders; enforcing contracts; resolving insolvency). The ranking on each topic is the simple average of the percentile rankings on its component indicators. Source: World Bank, Doing Business project, <http://www.doingbusiness.org/>

Indicator 4: Country Risk Assessment

2013 values. The Coface country risk assessment aims at evaluating the average credit risk of companies in a given country. The evaluation is based on economic, financial and political data, but it also takes into account Coface experience on the country, under two dimensions: Coface's payment experience on the companies of the country and also its assessment of the business climate. Source: Coface <http://coface.com/Economic-Studies-and-Country-Risks>

The following scale is used:



Indicator 5: Value of Global Imports of HS 9018.19 (US\$ value)

The dollar amounts represent average imports to each country in the world from all countries evaluated from 2009-2013 for Harmonized Code **9018.19**. This value shows which countries are importing the most of this product. This information is useful in determining where the demand for products within this HS classification is on the International Market. Countries that are top importers and exporters of a particular product are often regional trade hubs with considerable value add happening in the country. These countries are often home to major manufacturers and distributors.

Source: World Institute for Strategic Economic Research Trade (WISERTrade)

Indicator 6: Percent (%) Value of U.S.-Origin Imports of HS 9018.19 (US\$ value)

The percentages represent average U.S. market share of exports to other countries from 2009-2013 for Harmonized Code **9018.19**. This usually gives a good indication of where U.S.-origin products are in demand for U.S products within this HS classification in the International Market. Top importers of U.S. origin product have a greater likelihood of having established relationships with U.S. companies and an affinity for U.S. products and way of doing business.

Source: World Institute for Strategic Economic Research Trade (WISERTrade)

Indicator 7: Compound Annual Growth Rate (CAGR) of U.S. Origin Imports to Global Imports of HS 9018.19 (percentage)

This is the percentage growth of U.S.-origin imports measured over a period of five years (2009-2013). The formula assumes constant growth. The CAGR formula is equal to the value at the end of the period divided by the value at the start of the period, to the power of 1 divided by the last year minus first year, minus 1. For example, in Excel this formula would be: $(D2/B2)^{(1/(D1-B1))}-1$

Source: World Institute for Strategic Economic Research Trade (WISERTrade)

Indicator 8: Tariff 9018.19

Customs duties on merchandise imports for Harmonized Code **9018.19**.

Source: WTO Tariff Download Facility unless otherwise noted in Tariff Table on pp. 51-54.

Indicator 9: Value of Global Imports of HS 9018.50 (US\$ value)

See definition under indicator 5.

Source: World Institute for Strategic Economic Research Trade (WISERTrade)

Indicator 10: Percent (%) Value of U.S.-Origin Imports of HS 9018.50 (US\$ value)

See definition under indicator 6.

Source: World Institute for Strategic Economic Research Trade (WISERTrade)

Indicator 11: Compound Annual Growth Rate (CAGR) of U.S. Origin Imports to Global Imports of HS 9018.50 (percentage)

See definition under indicator 7.

Source: World Institute for Strategic Economic Research Trade (WISERTrade)

Indicator 12: Tariff 9018.50

Customs duties on merchandise imports for Harmonized Code **9018.50**.

Source: WTO Tariff Download Facility unless otherwise noted in Tariff Table on pp. 51-54.

Indicator 13: Value of Global Imports of HS 9018.90 (US\$ value)

See definition under indicator 5.

Source: World Institute for Strategic Economic Research Trade (WISERTrade)

Indicator 14: Percent (%) Value of U.S.-Origin Imports of HS 9018.90 (US\$ value)

See definition under indicator 6.

Source: World Institute for Strategic Economic Research Trade (WISERTrade)

Indicator 15: Compound Annual Growth Rate (CAGR) of U.S. Origin Imports to Global Imports of HS 9018.90 (percentage)

See definition under indicator 7.

Source: World Institute for Strategic Economic Research Trade (WISERTrade)

Indicator 16: Tariff 9018.50

Customs duties on merchandise imports for Harmonized Code **9018.50**.

Source: WTO Tariff Download Facility unless otherwise noted in Tariff Table on pp. 51-54.

Indicator 17: Ambulatory Establishments

An ambulatory establishment is a single physical location at which ambulatory surgery or services are conducted. Ambulatory Service Centers perform minimally invasive procedures using endoscopic equipment; as such, the numbers of establishments indicate demand for endoscopic equipment.

Source: Barnes Reports: Worldwide Ambulatory Surgical Emergency Centers Industry-Industry Market report

Indicator 18: Population Age 65+ (% total of population)

Population ages 65 and above as a percentage of the total population. Population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship--except for refugees not permanently settled in the country of asylum, who are generally considered part of the population of the country of origin. Demand for minimally invasive procedures is higher in aging populations, thus population over age 65 indicate demand for endoscopic equipment.

Source: World Bank Data, the United Nations Population Division's World Population Prospects.

Indicator 19: Total Expenditure on Health as a Percentage of GDP

This is a core indicator of health financing systems expressed as a percentage of gross domestic product (GDP). National health accounts (NHA) indicators are based on expenditure information collected within an internationally recognized framework. These data are generated from sources that WHO has been collecting for over ten years. The most comprehensive and consistent data on health financing is generated from national health accounts. Health expenditure is a key external driver of the medical equipment manufacturing industry, and as such indicates demand for endoscopic equipment.

Source: World Health Organization

EXIM Bank Support: Reviewed but not used as an indicator

It is prudent to factor in potential political risk as well as commercial risks when targeting foreign markets. All initial filter countries are eligible for financing from the Export Import Bank (EXIM) of the United States support according to EXIM Bank's Schedule of Limitations (May 2014)⁹, and as such this indicator was not added as each country would have the same score. Costa Rica, Dominican Republic, Peru, Philippines, and Vietnam are eligible with notes—see Appendix for more detailed information. EXIM provides support in the form of insurance and/or financing, and the in the international trade arena EXIM's Schedule of Limitations is used to evaluate political and commercial risk.

⁹ <http://www.exim.gov/tools/countrylimitationschedule/>

International Marketing Metrics Results

Includes national GDP PPP, percent urban population, ease of doing business index scores, national credit rating, global import value of HS9018.19, 9018.50, and 9018.90, percent value U.S.-origin imports of HS9018.19, 9018.50, and 9018.90, CAGR U.S.-origin imports of HS9018.19, 9018.50, and 9018.90, tariff for HS9018.19, 9018.50, and 9018.90, numbers of ambulatory establishments, population over age 65, and total health expenditure per capita PPP.

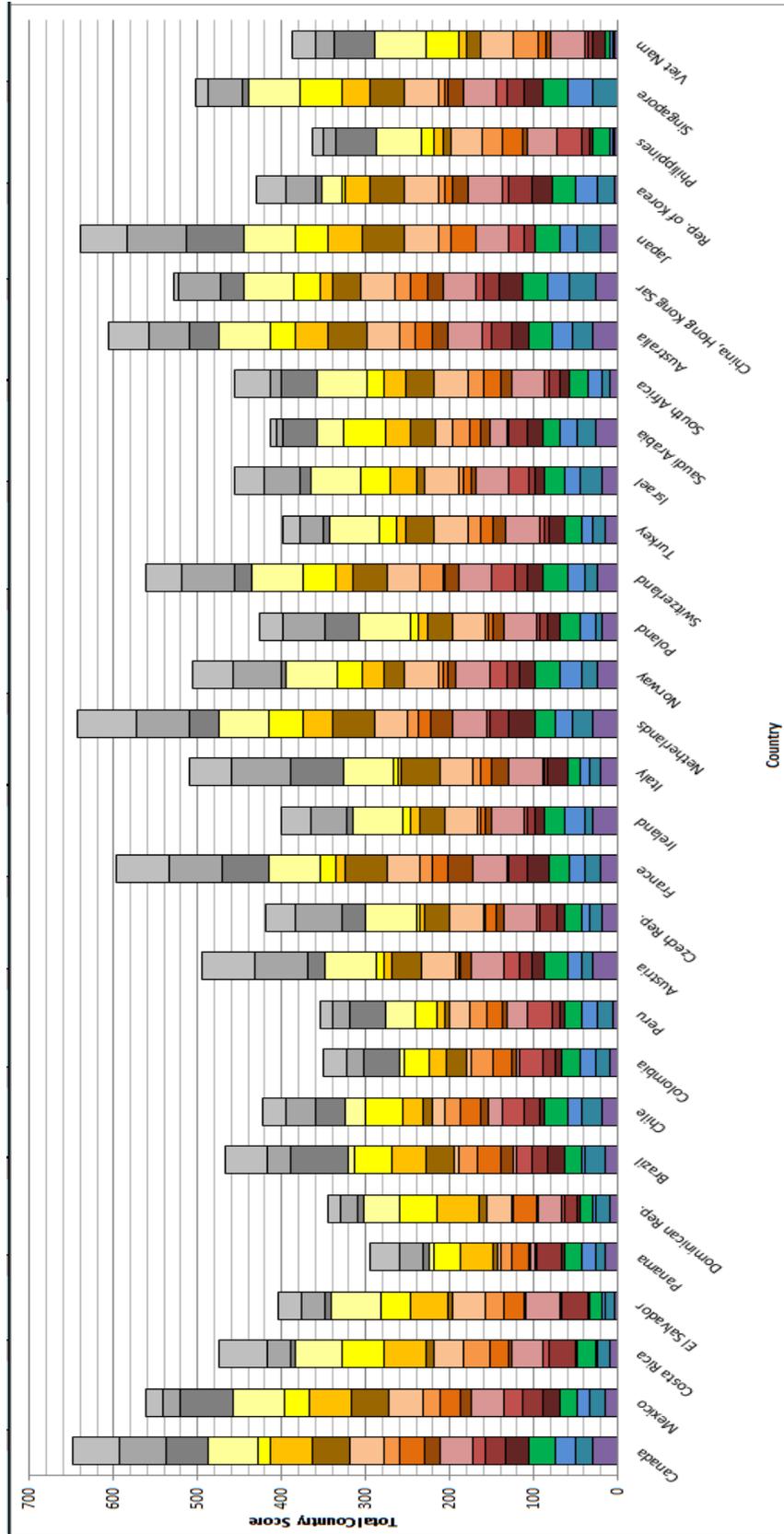
Primary Filter: The markets are displayed by geographic region.

Secondary Filter: The markets are displayed from highest country score to lowest country score.

Primary Filter: Markets Displayed by Geographic Region

| Country | Supplemental Indicators | | | | S01819 Electro-Diagnostic Apparatus Nesoi, And Parts Ex | | | | S01850 Other Ophthalmic Instruments & Appliances & Parts | | | | S01890 Instr & Appl F Medical Surgical Dental Ver, Nesoi | | | | Additional Variables | | | |
|----------------------|----------------------------|------------|----------------------|---------------------|---|---------------|------------------|--------|--|---------------|------------------|--------|--|---------------|------------------|--------|----------------------------------|--------------------------------|-------------------------------------|--------------------------|
| | National GDP (PPP) Percent | Population | Doing Business Index | Country Risk Rating | Global Import Value | % U.S. Origin | CAGR U.S. Origin | Tariff | Global Import Value | % U.S. Origin | CAGR U.S. Origin | Tariff | Global Import Value | % U.S. Origin | CAGR U.S. Origin | Tariff | Ambulatory Establishments (2012) | Age 65 + % of total Population | Expenditure on Health as a % of GDP | Total Country Score (TC) |
| Canada | 30 | 21 | 24 | 30 | 27 | 24 | 15 | 40 | 18 | 30 | 18 | 40 | 45 | 50 | 15 | 60 | 43 | 58 | 56 | 648 |
| Mexico | 15 | 18 | 15 | 21 | 21 | 24 | 21 | 40 | 12 | 24 | 21 | 40 | 45 | 50 | 30 | 60 | 63 | 21 | 21 | 562 |
| Costa Rica | 3 | 15 | 3 | 21 | 3 | 30 | 3 | 36 | 3 | 24 | 30 | 36 | 10 | 50 | 50 | 54 | 7 | 28 | 56 | 474 |
| El Salvador | 3 | 12 | 3 | 15 | 3 | 30 | 3 | 40 | 3 | 24 | 21 | 40 | 5 | 45 | 35 | 60 | 7 | 28 | 28 | 405 |
| Panama | 15 | 12 | 15 | 21 | 3 | 30 | 3 | 4 | 3 | 21 | 12 | 4 | 5 | 40 | 30 | 6 | 7 | 28 | 35 | 294 |
| Dominican Rep. | 3 | 18 | 3 | 15 | 3 | 15 | 3 | 28 | 3 | 27 | 3 | 28 | 10 | 50 | 45 | 42 | 7 | 21 | 14 | 344 |
| Brazil | 15 | 24 | 3 | 21 | 21 | 18 | 18 | 4 | 15 | 27 | 24 | 4 | 35 | 40 | 45 | 6 | 70 | 28 | 49 | 467 |
| Chile | 18 | 24 | 18 | 27 | 9 | 18 | 27 | 16 | 3 | 24 | 18 | 16 | 10 | 25 | 45 | 24 | 35 | 35 | 28 | 423 |
| Colombia | 9 | 18 | 18 | 21 | 9 | 15 | 27 | 4 | 6 | 21 | 27 | 4 | 25 | 20 | 30 | 6 | 42 | 21 | 28 | 351 |
| Peru | 6 | 18 | 18 | 21 | 6 | 3 | 30 | 24 | 6 | 18 | 21 | 24 | 5 | 10 | 25 | 36 | 42 | 21 | 14 | 354 |
| Austria | 30 | 12 | 18 | 27 | 15 | 15 | 18 | 40 | 12 | 3 | 3 | 40 | 35 | 10 | 10 | 60 | 21 | 63 | 63 | 445 |
| Czech Rep. | 18 | 15 | 3 | 21 | 9 | 21 | 3 | 40 | 3 | 12 | 3 | 40 | 30 | 5 | 5 | 60 | 28 | 58 | 35 | 419 |
| France | 21 | 18 | 18 | 24 | 27 | 21 | 3 | 40 | 6 | 6 | 15 | 40 | 50 | 10 | 20 | 60 | 56 | 63 | 63 | 537 |
| Ireland | 30 | 9 | 24 | 24 | 12 | 3 | 40 | 6 | 6 | 6 | 3 | 40 | 30 | 10 | 10 | 60 | 7 | 42 | 35 | 400 |
| Italy | 21 | 12 | 12 | 15 | 24 | 3 | 40 | 40 | 21 | 12 | 3 | 40 | 45 | 5 | 5 | 60 | 63 | 70 | 49 | 503 |
| Netherlands | 30 | 24 | 21 | 24 | 30 | 24 | 3 | 40 | 27 | 15 | 12 | 40 | 50 | 35 | 40 | 60 | 35 | 63 | 70 | 643 |
| Norway | 24 | 18 | 27 | 30 | 18 | 15 | 21 | 40 | 9 | 6 | 6 | 40 | 25 | 25 | 30 | 60 | 7 | 58 | 49 | 506 |
| Poland | 18 | 3 | 18 | 24 | 15 | 3 | 40 | 40 | 12 | 6 | 3 | 40 | 30 | 10 | 10 | 60 | 42 | 49 | 28 | 426 |
| Switzerland | 24 | 15 | 21 | 30 | 18 | 15 | 27 | 40 | 15 | 3 | 27 | 40 | 40 | 20 | 40 | 60 | 21 | 63 | 42 | 561 |
| Turkey | 15 | 15 | 12 | 21 | 18 | 6 | 6 | 40 | 15 | 15 | 15 | 40 | 35 | 10 | 20 | 60 | 7 | 28 | 21 | 383 |
| Israel | 18 | 27 | 18 | 24 | 12 | 6 | 24 | 40 | 6 | 9 | 6 | 40 | 10 | 30 | 35 | 60 | 14 | 42 | 35 | 458 |
| Saudi Arabia | 27 | 21 | 21 | 21 | 18 | 21 | 3 | 20 | 12 | 12 | 21 | 20 | 30 | 30 | 50 | 30 | 42 | 7 | 7 | 413 |
| South Africa | 9 | 9 | 18 | 21 | 12 | 12 | 6 | 40 | 12 | 21 | 18 | 40 | 35 | 25 | 20 | 60 | 42 | 14 | 42 | 458 |
| Australia | 30 | 24 | 24 | 27 | 21 | 24 | 12 | 40 | 18 | 21 | 18 | 40 | 45 | 40 | 30 | 60 | 35 | 49 | 49 | 607 |
| China, Hong Kong Sar | 27 | 30 | 27 | 30 | 27 | 18 | 9 | 40 | 18 | 21 | 18 | 40 | 35 | 15 | 30 | 60 | 28 | 49 | 7 | 629 |
| Japan | 21 | 27 | 21 | 30 | 0 | 12 | 18 | 40 | 0 | 30 | 15 | 40 | 50 | 40 | 40 | 60 | 70 | 70 | 56 | 640 |
| Rep. of Korea | 3 | 21 | 27 | 27 | 24 | 27 | 9 | 40 | 18 | 9 | 9 | 40 | 40 | 30 | 5 | 24 | 7 | 35 | 35 | 430 |
| Philippines | 3 | 3 | 3 | 21 | 3 | 9 | 30 | 36 | 6 | 24 | 24 | 36 | 10 | 10 | 15 | 54 | 49 | 14 | 14 | 384 |
| Singapore | 0 | 30 | 30 | 30 | 21 | 21 | 12 | 40 | 18 | 3 | 9 | 40 | 40 | 35 | 50 | 60 | 7 | 42 | 14 | 502 |
| Viet Nam | 3 | 3 | 3 | 6 | 15 | 6 | 3 | 40 | 6 | 3 | 30 | 40 | 15 | 10 | 40 | 60 | 49 | 21 | 28 | 387 |

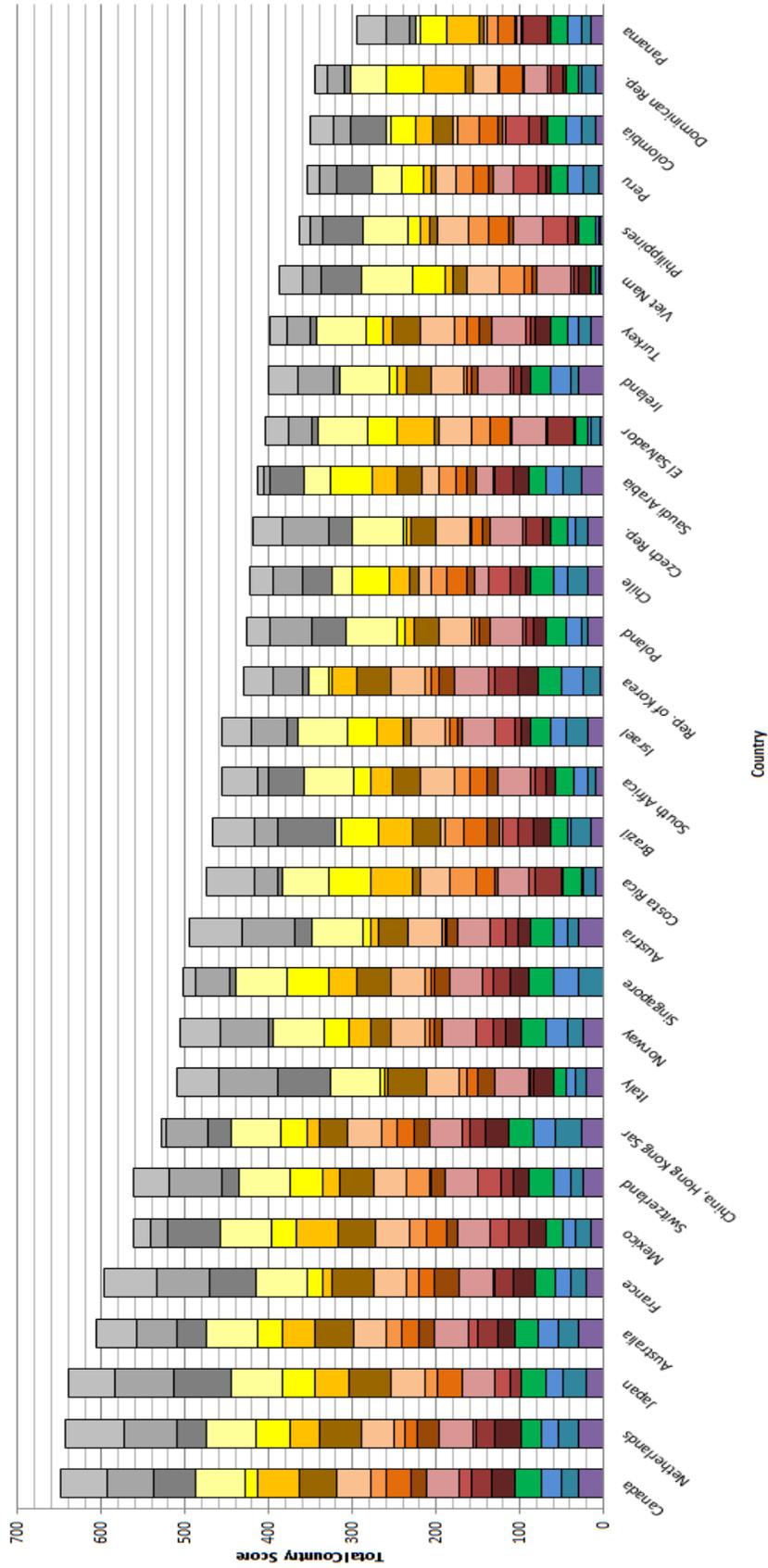
Primary Filter: Markets Displayed by Geographic Region



Secondary Filter: Markets displayed from highest country score to lowest country score.

| Country | Supplemental Indicators | | | | Electro-Diagnostic Apparatus, Neso, And Parts Etc | | | | 901819 | | | | Other Ophthalmic Instruments & Appliances & Parts | | | | 901850 | | | | Instr & Appl F Medical Surgical Dental Vet, Neso | | | | 901890 | | | | Additional Variables | | | |
|----------------------|-------------------------|------------|----------------------|---------------------|---|---------------|--------------------------|--------|---------------------|---------------|--------------------------|--------|---|---------------|--------------------------|--------|---------------------|---------------|--------------------------|--------|--|---------------|--------------------------|--------|----------------------------------|---------------------------------|-----------------------------------|--------------------------|----------------------|--|--|--|
| | National GDP (PPP) | Population | Doing Business Index | Country Risk Rating | Global Import Value | % U.S. Origin | CAGR U.S. Origin Imports | Tariff | Global Import Value | % U.S. Origin | CAGR U.S. Origin Imports | Tariff | Global Import Value | % U.S. Origin | CAGR U.S. Origin Imports | Tariff | Global Import Value | % U.S. Origin | CAGR U.S. Origin Imports | Tariff | Global Import Value | % U.S. Origin | CAGR U.S. Origin Imports | Tariff | Ambulatory Establishments (2012) | Age 65+ (% of total Population) | Expenditure on Health as % of GDP | Total Country Score (TC) | | | | |
| Canada | 30 | 21 | 24 | 30 | 27 | 24 | 15 | 40 | 18 | 30 | 18 | 40 | 45 | 50 | 15 | 60 | 45 | 50 | 15 | 60 | 45 | 50 | 15 | 60 | 49 | 56 | 56 | 648 | | | | |
| Netherlands | 30 | 24 | 21 | 24 | 30 | 24 | 3 | 40 | 27 | 15 | 12 | 40 | 50 | 35 | 40 | 60 | 50 | 40 | 40 | 60 | 50 | 40 | 40 | 60 | 35 | 63 | 70 | 643 | | | | |
| Japan | 21 | 27 | 21 | 30 | 0 | 12 | 18 | 40 | 0 | 30 | 15 | 40 | 50 | 40 | 40 | 60 | 50 | 40 | 40 | 60 | 50 | 40 | 40 | 60 | 70 | 70 | 56 | 640 | | | | |
| Australia | 30 | 24 | 24 | 27 | 21 | 24 | 12 | 40 | 18 | 21 | 18 | 40 | 45 | 40 | 30 | 60 | 45 | 40 | 30 | 60 | 45 | 40 | 30 | 60 | 35 | 49 | 49 | 607 | | | | |
| France | 21 | 18 | 18 | 24 | 27 | 21 | 3 | 40 | 30 | 18 | 15 | 40 | 50 | 10 | 20 | 60 | 50 | 10 | 20 | 60 | 50 | 10 | 20 | 60 | 56 | 63 | 63 | 597 | | | | |
| Mexico | 15 | 18 | 15 | 21 | 21 | 24 | 21 | 40 | 12 | 24 | 21 | 40 | 45 | 50 | 30 | 60 | 45 | 50 | 30 | 60 | 45 | 50 | 30 | 60 | 63 | 21 | 21 | 562 | | | | |
| Switzerland | 24 | 15 | 21 | 30 | 18 | 15 | 27 | 40 | 15 | 3 | 27 | 40 | 35 | 15 | 30 | 60 | 35 | 15 | 30 | 60 | 35 | 15 | 30 | 60 | 28 | 49 | 42 | 561 | | | | |
| China, Hong Kong Sar | 27 | 30 | 27 | 30 | 27 | 18 | 9 | 40 | 18 | 21 | 18 | 40 | 45 | 5 | 5 | 60 | 45 | 5 | 5 | 60 | 45 | 5 | 5 | 60 | 63 | 70 | 49 | 509 | | | | |
| Italy | 21 | 12 | 12 | 15 | 24 | 3 | 3 | 40 | 21 | 12 | 9 | 40 | 40 | 25 | 30 | 60 | 40 | 25 | 30 | 60 | 40 | 25 | 30 | 60 | 7 | 56 | 49 | 506 | | | | |
| Norway | 24 | 18 | 27 | 30 | 18 | 15 | 21 | 40 | 9 | 6 | 6 | 40 | 40 | 40 | 30 | 60 | 40 | 40 | 30 | 60 | 40 | 40 | 30 | 60 | 7 | 42 | 14 | 502 | | | | |
| Singapore | 0 | 30 | 30 | 30 | 21 | 21 | 12 | 40 | 18 | 3 | 9 | 40 | 35 | 10 | 10 | 60 | 35 | 10 | 10 | 60 | 35 | 10 | 10 | 60 | 7 | 42 | 14 | 502 | | | | |
| Austria | 30 | 12 | 18 | 27 | 15 | 15 | 18 | 40 | 12 | 3 | 3 | 40 | 35 | 10 | 10 | 60 | 35 | 10 | 10 | 60 | 35 | 10 | 10 | 60 | 7 | 42 | 14 | 502 | | | | |
| Costa Rica | 9 | 15 | 3 | 21 | 3 | 30 | 9 | 36 | 3 | 24 | 30 | 36 | 10 | 50 | 50 | 54 | 10 | 50 | 50 | 54 | 10 | 50 | 50 | 54 | 7 | 28 | 56 | 474 | | | | |
| Brazil | 15 | 24 | 3 | 21 | 21 | 18 | 18 | 4 | 15 | 27 | 24 | 4 | 35 | 40 | 45 | 6 | 35 | 40 | 45 | 6 | 35 | 40 | 45 | 6 | 70 | 28 | 49 | 467 | | | | |
| South Africa | 9 | 9 | 18 | 21 | 12 | 12 | 6 | 40 | 12 | 21 | 18 | 40 | 35 | 25 | 20 | 60 | 35 | 25 | 20 | 60 | 35 | 25 | 20 | 60 | 42 | 14 | 42 | 456 | | | | |
| Israel | 18 | 27 | 18 | 24 | 12 | 6 | 24 | 40 | 6 | 9 | 6 | 40 | 40 | 30 | 35 | 60 | 40 | 30 | 35 | 60 | 40 | 30 | 35 | 60 | 14 | 42 | 35 | 456 | | | | |
| Rep. of Korea | 3 | 21 | 27 | 27 | 24 | 27 | 9 | 40 | 18 | 9 | 9 | 40 | 40 | 30 | 5 | 24 | 40 | 30 | 5 | 24 | 40 | 30 | 5 | 24 | 7 | 35 | 35 | 430 | | | | |
| Poland | 18 | 9 | 18 | 24 | 15 | 9 | 3 | 40 | 12 | 6 | 3 | 40 | 30 | 10 | 10 | 60 | 30 | 10 | 10 | 60 | 30 | 10 | 10 | 60 | 42 | 49 | 28 | 426 | | | | |
| Chile | 18 | 24 | 18 | 27 | 6 | 18 | 27 | 16 | 9 | 24 | 18 | 16 | 10 | 25 | 45 | 24 | 10 | 25 | 45 | 24 | 10 | 25 | 45 | 24 | 35 | 35 | 28 | 423 | | | | |
| Czech Rep. | 18 | 15 | 9 | 21 | 9 | 21 | 3 | 40 | 9 | 12 | 3 | 40 | 30 | 5 | 5 | 60 | 30 | 5 | 5 | 60 | 30 | 5 | 5 | 60 | 28 | 56 | 35 | 418 | | | | |
| Saudi Arabia | 27 | 21 | 21 | 21 | 18 | 21 | 3 | 20 | 12 | 12 | 21 | 20 | 30 | 30 | 50 | 30 | 30 | 30 | 50 | 30 | 30 | 30 | 50 | 30 | 42 | 7 | 7 | 413 | | | | |
| El Salvador | 3 | 12 | 3 | 15 | 9 | 30 | 3 | 40 | 3 | 24 | 21 | 40 | 5 | 45 | 35 | 60 | 5 | 45 | 35 | 60 | 5 | 45 | 35 | 60 | 7 | 28 | 28 | 405 | | | | |
| Ireland | 30 | 9 | 24 | 24 | 12 | 9 | 3 | 40 | 6 | 6 | 3 | 40 | 30 | 10 | 10 | 60 | 30 | 10 | 10 | 60 | 30 | 10 | 10 | 60 | 7 | 42 | 35 | 400 | | | | |
| Turkey | 15 | 15 | 12 | 21 | 18 | 6 | 6 | 40 | 15 | 15 | 15 | 40 | 35 | 10 | 20 | 60 | 35 | 10 | 20 | 60 | 35 | 10 | 20 | 60 | 7 | 28 | 21 | 389 | | | | |
| Viet Nam | 3 | 3 | 3 | 6 | 15 | 6 | 3 | 40 | 6 | 9 | 30 | 40 | 15 | 10 | 40 | 60 | 15 | 10 | 40 | 60 | 15 | 10 | 40 | 60 | 49 | 21 | 28 | 387 | | | | |
| Philippines | 3 | 3 | 3 | 21 | 3 | 9 | 30 | 36 | 6 | 24 | 24 | 36 | 10 | 10 | 15 | 54 | 10 | 10 | 15 | 54 | 10 | 10 | 15 | 54 | 49 | 14 | 14 | 364 | | | | |
| Peru | 6 | 18 | 18 | 21 | 6 | 9 | 30 | 24 | 6 | 18 | 21 | 24 | 5 | 10 | 25 | 36 | 5 | 10 | 25 | 36 | 5 | 10 | 25 | 36 | 42 | 21 | 14 | 354 | | | | |
| Colombia | 9 | 18 | 18 | 21 | 9 | 15 | 27 | 4 | 6 | 21 | 27 | 4 | 25 | 20 | 30 | 6 | 25 | 20 | 30 | 6 | 25 | 20 | 30 | 6 | 42 | 21 | 28 | 351 | | | | |
| Dominican Rep. | 9 | 18 | 3 | 15 | 9 | 15 | 3 | 28 | 3 | 27 | 3 | 28 | 10 | 50 | 45 | 42 | 10 | 50 | 45 | 42 | 10 | 50 | 45 | 42 | 7 | 21 | 14 | 344 | | | | |
| Panama | 15 | 12 | 15 | 21 | 3 | 30 | 3 | 4 | 3 | 21 | 12 | 4 | 5 | 40 | 30 | 6 | 5 | 40 | 30 | 6 | 5 | 40 | 30 | 6 | 7 | 28 | 35 | 294 | | | | |

Secondary Filter: Markets displayed from highest country score to lowest country score.



IMM Discussion¹⁰

Given the value assigned to each indicator, certain markets emerge as potential strategic priorities based on current import levels. Based on the knowledge that the IMM is a tool that cannot incorporate all globally available data, the target market selection was based on a combination of IMM data and additional quantitative and qualitative market research. Each country on the Final List of Countries is presented with extensive market analysis and market entry strategies.

Target Markets**International Target Market Selection**

An initial filter of global markets was conducted using a five-year series of global trade flow data (2009-2013) which yielded the 77 markets for further examination. Upon analyzing additional indicators such as compound annual growth rate of global imports and U.S. Market share, World Bank data, tariff rate, and private industry reports a list of 30 target countries was narrowed down to 9 markets suggested for the company's strategic export strategy. A detailed description of each indicator used to evaluate the markets is listed in the International Marketing Metrics section of this plan.

An initial analysis of the following countries was conducted:

| | | | | | | |
|----------------|-------------|--------------|------------|-------------|------------|------------|
| Australia | Hong Kong | Philippines | Argentina | Nigeria | Uruguay | Montenegro |
| Austria | Ireland | Poland | Guatemala | Russia | UK | Albania |
| Brazil | Israel | Saudi Arabia | Tanzania | Thailand | Kazakhstan | Serbia |
| Canada | Italy | Singapore | Bolivia | New Zealand | Ethiopia | Germany |
| Chile | Japan | South Africa | Indonesia | India | Jordan | Denmark |
| Colombia | Korea | Switzerland | Algeria | Lebanon | Oman | Slovakia |
| Costa Rica | Mexico | Turkey | Romania | Luxembourg | Malaysia | Nicaragua |
| Czech Republic | Netherlands | Vietnam | Lithuania | Estonia | Ecuador | DR |
| El Salvador | Panama | Malawi | Azerbaijan | Sri Lanka | Belgium | Greece |
| France | Peru | Egypt | Tunisia | Latvia | Portugal | Bulgaria |
| Hungary | Norway | Ukraine | Belarus | Uganda | Finland | China |

¹⁰ IMM value rankings are listed in the appendix

Final List of Target Markets:

The following list of seven countries is suggested for ABC Manufacturing’s initial international expansion due to meeting and/or exceeding expectations in all indicator categories listed in the IMM Indicators section in addition to housing target industry clusters discussed in the Market Analysis section of this plan. They are **Canada, Mexico, Costa Rica, Switzerland, Australia, Japan, El Salvador, Singapore, and Norway.**

U.S. Free Trade Agreements, FTAs

These agreements become very relevant to exporters and increase the opportunity for international business by eliminating duties on inbound goods.

Some other types of opportunities frequently found in FTAs include:

- The ability for a U.S. company to bid on certain government procurements in the FTA partner country;
- The ability for a U.S. investor to get prompt, adequate, and effective compensation if its investment in the FTA partner country is taken by the government (expropriated);
- The ability for U.S. service suppliers to supply their services in the FTA partner country;
- Protection and enforcement of American-owned intellectual property rights in the FTA partner country; and
- The ability for U.S. exporters to participate in the development of product standards in the FTA partner country.

Our current FTA partner countries include the following:

Countries with U.S. FTAs



With regard to target countries selected by this report, the following have FTAs with the United States:

Canada, Mexico, Costa Rica, El Salvador, Panama, Dominican Republic, Chile, Colombia, Peru, Israel, Australia, Korea, and Singapore

The subsequent section provides a market overview for each target market (derived from the U.S. Commercial Service Country Commercial Guides).¹¹



Canada

Market Overview

Canada continues to hold a historic record as the United States' largest export market, accounting for 18.9 percent of total U.S. goods exports. Total stock of Canadian foreign direct investment in the United States also ranked among the top four in the world. U.S. companies looking to expand their international portfolios need to consider the tremendous business opportunities offered in Canada.

The U.S. and Canada, through the Beyond the Border Initiative, are committed to facilitating the flow of people and goods across the border while maintaining the security and integrity at the border. In an unprecedented effort to streamline unnecessary or duplicative regulations, the private sector and government on both sides developed ambitious work plans through the U.S.-Canada Regulatory Cooperation Council. Tangible results have reduced the cost of doing business and increased just in time efficiencies. Recent efforts to curb pirated goods and to enhance IPR protection will significantly support increased trade and investment between the U.S. and Canada.

Canada remains among the most accessible markets in the world. Nevertheless, doing business in Canada is not the same as doing business in the United States. Canadian Customs documentation, bilingual labeling, packaging requirements, ITAR (International Traffic in Arms Regulations), and Canadian federal and provincial sales tax accounting can be surprisingly challenging. Canadian federal, provincial, and municipal procurement procedures, while open in principle to U.S. bidders, can vary from procedures followed in the United States. Bidders must be registered in Canada in order to bid, and bidders must fulfill all the requirements in order to qualify to bid (specified requirements are non-negotiable). In some cases, security clearances are required for personnel prior to submitting a bid, and

¹¹ See links to individual Country Commercial Guides in the Appendix.

in a number of projects, there may be requirements for off-sets (known as Industrial Regional Benefits or IRBs).

Market Challenges and Opportunities

Efforts to facilitate trade at the border include pre-inspections and technological advances. Streamlined regulatory requirements will improve and expand just in time delivery of goods and services and strengthen and expand supply chains.



Market Overview

The North American Free Trade Agreement (NAFTA), which was enacted in 1994 and created a free trade zone for Mexico, Canada, and the United States, is the most important feature in the U.S.-Mexico bilateral commercial relationship.

- Mexico is the United States' 3rd largest trade partner and 2nd largest export market for U.S. products.
- U.S-Mexico bilateral trade increased from \$88 billion in 1993, the year prior to the implementation of NAFTA, to \$494 billion in 2012, an increase of 461 percent.
- Negotiations are now underway for the Trans-Pacific Partnership (TPP), with U.S. and Mexican participation. The U.S. and Mexico seek to boost U.S. and Mexican economic growth by increasing exports in a region that includes some of the world's most robust economies and that represents more than 40 percent of global trade. The TPP presents an opportunity to go beyond NAFTA and is anticipated to be finalized by 2014.

In May 2013, President Obama visited Mexico at which time he and Mexican President Enrique Peña Nieto announced a new High Level Economic Dialogue (HLED). The HLED will help to further identify barriers to trade between the two countries, to reduce such barriers, and improve opportunities for both U.S. and Mexican companies in our two markets.

- Mexico is the most populated Spanish speaking country in the world and has 115 million people with 78% living in urban areas. 10% of the population is considered wealthy and about 45% in poverty earning less than USD \$10 per day. The remaining 45% of the population is considered middle class. Mexico has a very young population with a median age of 27. It offers a large market with a GDP of approximately USD \$1.16 trillion. Per capita income is USD \$15,100.

- With a shared Western and Hispanic culture U.S. producers find it easier to market and sell their services and products in Mexico.
- There is a large installed base of manufacturing in a wide range of sectors.
- Mexico is a stable democracy.
- Labor, education, and telecom reforms as well as proposed energy and fiscal reforms have people optimistic that the country will increase its competitiveness.

Market Challenges and Opportunities

- The Mexican legal system differs in many significant ways from the U.S. system. U.S. firms should consult with competent legal counsel before entering into any business agreements with Mexican partners
- Mexico's size and diversity are often under-appreciated by U.S. exporters. It can be difficult to find a distributor or agent to cover this vast market.
- The banking system in Mexico has shown signs of growth after years of stagnation, but interest rates remain relatively high. In particular, small and medium-sized enterprises (SMEs) find it difficult to obtain financing at reasonable rates despite Mexican Government efforts to increase capital for SMEs. U.S. companies need to conduct thorough due diligence before entering into business with a Mexican firm, and should be conservative in extending credit and alert to payment delays. As one element in a prudent due diligence process, the U.S. Commercial Service offices in Mexico can conduct background checks on potential Mexican partners. U.S. companies should assist Mexican buyers explore financing options, including Export-Import Bank programs.
- Mexican Customs regulations, product standards and labor laws may present pitfalls for U.S. companies. U.S. Embassy commercial, agricultural and labor attachés are available to counsel firms with respect to regulations that affect their particular export product or business interest.
- Continued violence among transnational criminal organizations has created insecurity in some parts of Mexico, particularly in some border areas. Prior to traveling to Mexico it is strongly recommended to review the Department of State's travel guidance related to Mexico:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_970.html,
http://travel.state.gov/travel/cis_pa_tw/tw/tw_5815.html

Abundant market opportunities for U.S. firms exist in Mexico; trade totals almost \$1.4 billion a day between the two countries.

- A recently developed national infrastructure plan lends itself to sales opportunities to the Mexican federal government.
- Mexico's geographic proximity to the United States has propelled the maquiladora industry near the U.S.-Mexico border and currently gives U.S. businesses an alternative to Asia-based manufacturing and opportunities to sell into the supply chain.

Medical Device Related Resources in Mexico

For Public Institutions

www.salud.gob.mx

www.imss.gob.mx

www.issste.gob.mx

www.cenetec.salud.gob.mx

For Private Hospitals

• www.grupoempresarialangeles.com

• www.starmedica.com.mx

• www.hsj.com.mx

• www.abchospital.com.mx

• www.hespanol.com.mx

• www.amerimed-hospitals.com

• www.christusmuguerza.com.mx

• www.medicasur.com.mx



Costa Rica

Market Overview

The United States is Costa Rica's main trading partner, accounting for about 40% of Costa Rica's total imports. In recent years, Costa Rica has successfully attracted important investments by such companies as Procter & Gamble, Walmart, Hewlett-Packard, Boston Scientific, Allergan, Hospira, Baxter Healthcare and others from the healthcare products industry. According to the US Census Bureau, 2013 data shows that two-way trade between the U.S. and Costa Rica exceeded \$19.1 billion that year. Other U.S. companies with a great number of employees in Costa Rica include Dell, Amazon, IBM and Western Union.

After experiencing positive growth for several years, the Costa Rican economy shrank slightly in 2009 (-2.5%) due to the global economic crisis. The economy experienced a rebound in 2010 with a 3.6% GDP growth rate, a growth rate in 2011 of 3.8%, and a growth rate in 2012 of 5.1%. Costa Rica enjoys the region's highest standard of living, with a per capita income of about US\$7,843, and an unemployment rate of 7.37%. Consumer price inflation is high but relatively constant at about a 10% annual rate over the last decade. The exchange rate fluctuation earlier this year has caused concern that inflation will increase this year.

While Costa Rica's close trading and investment relationship with the United States has long benefited both nations, the recession that affected the U.S. in 2008-2009, began to be felt in Costa Rica after some lag time and has somewhat diminished the level of bilateral trade and investment activity. A bright spot is that there was an upturn in Costa Rica's economic activity at the end of 2009, which continued in 2010 and to the present day.

Market Challenges and Opportunities

Most parts of the country are accessible through an extensive road system of more than 18,750 miles (30,000 kilometers), although much of the system has fallen into disrepair. Despite this, the overall investment picture has been relatively bright and infrastructure such as roads and bridges,

water/wastewater, electricity generation, airports and ports offer both challenges and opportunities for investment.

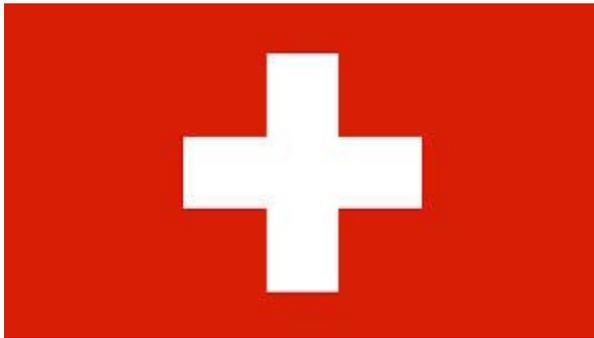
Product registration is a challenge to market entry. Although Costa Rica's Digital Government began implementing a new online product registration system in 2013, there are still significant delays with product registration and renewals. These delays are a result of backlogs in product registration requests as well as recent changes in product registration regulations.

Costa Rica signed a free trade agreement with China in February 2010. The intensified relationship between these two countries implies growing competition for U.S. exports from products originating in China. Costa Rica is also part of the Central American effort to negotiate a Free Trade Agreement with the European Union.

Medical Device Related Resources in Costa Rica

Public Health Institutions

- Caja Costarricense de Seguro Social (CCSS): <http://www.info.ccss.sa.cr/>
- Ministerio de Salud de Costa Rica: <http://www.ministeriodesalud.go.cr>



Switzerland

Market Overview

Switzerland's population of 8 million is affluent and cosmopolitan

- GDP of about USD 631 billion; growth forecast of 2.2% for 2014
- In 2013 total exports from the U.S. to Switzerland amounted to USD 27 billion.
- U.S.-Swiss trade generally stable despite financial and economic crisis;
- World-class infrastructure, business-friendly legal and regulatory environment
- Highly educated, reliable, and flexible work force
- Consumer and producer of high-quality, value-added industrial/consumer goods
- Manufacturing sector is highly automated and efficient
- Strong market demand for U.S. components and production systems
- Strong demand for high quality products with competitive prices
- Highest per capita IT spending in the world
- Multilingual/multicultural European test market and business environment
- Many U.S. firms with European and regional headquarters in Switzerland

Market Challenges

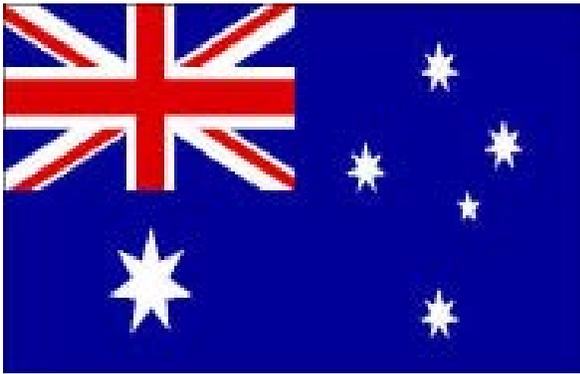
Market is sophisticated, quality-conscious, high-tech and competitive

- An epicenter of European and global competition
- While EU-type regulations and standards exist in general, there are significant exceptions

Market Opportunities

Products with relatively advanced technologies are best prospects

- Switzerland is strategically placed as a gateway to EU markets
- Ideal test market for introduction of new high tech and consumer products
- Excellent platform for marketing into Europe, Middle East and Africa
- High concentration of computer/Internet usage per capita
- Sophisticated market for U.S. devices
- Switzerland is becoming a European center for commercial aviation business
- Fast growing demand for highly sophisticated security equipment/systems
- One of the world's top countries for R&D



Australia

Market Overview

Australia is the world's 12th largest economy, with a GDP of US\$1.5 trillion. It is the fourth largest economy in the Asia-Pacific region with per-capita GDP of over US\$68,000, among the highest in the world. The economy recorded 21 years of uninterrupted annual growth to 2013 and now enjoys the highest terms of trade in 140 years. Growth in commodity exports to Asia buoyed Australia through the global financial crisis but adversely affected the manufacturing and services sectors because of the strong Australian dollar.

The economic outlook for Australia is favorable, led by private investment in mining and commodity exports to emerging Asia, including China. Australia's economic stability has been supported by prudent fiscal policy and structural reforms, with unemployment currently at 5.6% and government net debt only around 10% of GDP.

The Australia-U.S. Free Trade Agreement (AUSFTA) came into effect in 2005 and lowered barriers for bilateral goods and services trade, which increased by 81% to US\$64 billion in 2012. The Australian financial system remained resilient throughout the global financial crisis and Australian banks have rebounded. The four largest are now among the world's eleven AA rated banks. The Australian stock market is currently the largest liquid stock market in the Asia-Pacific region (ex-Japan) and ranks sixth in the world, with a total market capitalization of US\$1.4 trillion in March 2013.

Australia has a large services sector (over 70% of GDP), but is also a significant resources, energy and food exporter. Australia's abundant and diverse resources attract high levels of foreign investment and include extensive reserves of coal, iron ore, copper, gold, natural gas, uranium and renewable energy sources. A series of major investments, such as the US\$52 billion Gorgon LNG project led by Chevron,

will significantly expand the resources sector. Currently there is a vast investment pipeline of over \$400 billion. However, with the high dollar, trade exposed industries outside the resources and energy sector have come under great pressure.

It is advised that American firms examining the Australian market to pay attention to macro measures of opportunity, which give it more purchasing power relative to that in less-developed economies. Along with the Free Trade Agreement, the case for entering or expanding in the Australian market is stronger than the population of 23 million might suggest, particularly with the strong Australian dollar and high per capita incomes stimulating greater demand for U.S. products and services.

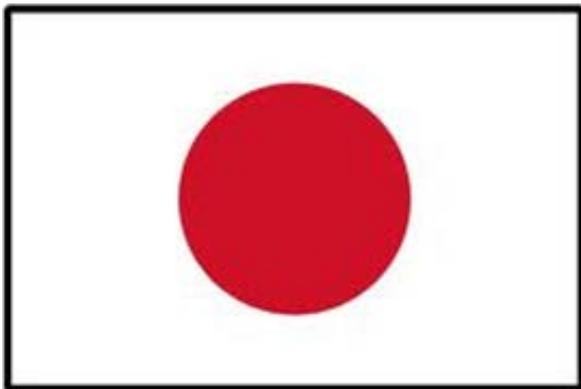
Australia's relative market appeal remains convincing, with few barriers to entry, a familiar legal and corporate framework, sophisticated consumer and industrial sectors, and a straightforward, English-speaking business culture. The Australia-U.S. Free Trade Agreement enhanced the long and successful trading relationship by eliminating tariffs on almost all U.S. manufactured and agricultural goods.

Market Challenges and Opportunities

Competitive Market: Australia's distance from the rest of the world, large land area, and relatively small population led to market dominance by a few large firms in certain sectors.

Australia is integrated into the world economy and remains a commercial and financial center for the region. American companies will find that Australian and third-country competitors in Australia have some long-established brands with strong reputations and existing supplier relationships.

Australia has ready access to Asian and other low-cost producers. American firms must therefore demonstrate sufficient added value to overcome the costs of getting the product to market and to compete.



Japan

Market Overview

Japan is back in the business news headlines in 2013, owing in part to a rising stock market, a sharply lower yen, and stirrings of domestic demand for both personal consumption and capital investment. The new economic policy linked to these developments is known as "Abenomics"-- a three pronged strategy of bold monetary loosening, fiscal stimulus centered on infrastructure spending, and growth-oriented structural reform. While the implications and ultimate success of this strategy in reigning growth in Japan are far from certain, it has drawn considerable attention from U.S. businesses.

In April 2013 the U.S. and Japanese governments agreed on a package of actions and agreements that pave the way for the Obama Administration to support Japan's participation in the Trans-Pacific

Partnership (TPP). With Japan's participation in the TPP, its members would account for nearly 40 percent of World GDP. Moreover, the liberalization expected to be required of TPP member countries may play an important role in promoting the domestic economic reforms likely to be called for under "Abenomics."

- While Japan has made significant steps toward economic healing following the tragic combined earthquake, tsunami, and nuclear incident of March 2011, there are lasting changes noticeable on various levels, including idled nuclear power plants. Japan remains the world's third-largest economy, after the United States and China, with a GDP of roughly \$5.8 trillion. Japan is the fourth-largest export market for U.S. goods and services, and our fourth-largest trading partner overall. In 2012 the U.S. exported \$70 billion in goods to Japan. The United States runs a persistent trade deficit with Japan in merchandise, and a surplus in services.
- Japan is the second-largest foreign investor in the United States, with more than \$257 billion invested.
- During 2012 the Japanese yen was stable against the dollar. However, the yen weakened appreciably in the first half of 2013. Even so, U.S. products remain competitive in Japan.
- Japan's large government debt, which totals over 200 percent of GDP, persistent deflation, and an aging and shrinking population are major challenges confronting the economy.
- In 2012, the top exporters to Japan were China, the United States, Australia, Saudi Arabia, the UAE, South Korea, and Indonesia. The top importers from Japan were China, the United States, South Korea, Taiwan, and Hong Kong.

The U.S.-Japan alliance is a cornerstone of U.S. security interests in Asia and is fundamental to regional stability and prosperity. The United States-Japan alliance continues to be based on shared vital interests and values. These include stability in the Asia-Pacific region, the preservation and promotion of political and economic freedoms, support for human rights and democratic institutions, and securing of prosperity for the people of both countries and the international community as a whole. Japan is one of the world's most prosperous and stable democracies.

Market Challenges and Opportunities

The degree of difficulty in penetrating the Japanese market depends on the product or service involved. Key variables include the degree of local or third-country competition, the number of regulatory hurdles to be overcome, and cultural factors such as language (both spoken and written), service and quality expectations, and business practices.

Generally, tariffs on most imported goods into Japan are low. However, cultural, regulatory, or other non-tariff barriers continue to exist that can make market entry difficult. These can include Japanese import license requirements, restricted or prohibited imports, temporary entry of goods, certifications, standards, labeling requirements, etc.



El Salvador

Market Overview

In November 2011, El Salvador and the United States signed the Partnership for Growth (PFG) Joint Country Action Plan (JCAP), which seeks to accelerate and sustain broad-based economic growth by addressing binding constraints in the areas of crime and insecurity, and low productivity in the tradables sector. For more information on PFG, visit <http://sansalvador.usembassy.gov/news/pfg.html>

- The United States is El Salvador's leading trade partner. In 2013, El Salvador's Central Bank (BCR) reported the United States had a 38.8% import market share, and 45.3% of Salvadoran exports were destined for the United States. Central America countries are other top trade partners.
- El Salvador still has not recovered from the world economic crisis. BCR statistics reported that El Salvador had a GDP growth of 1.8% in 2013; for that same year the GDP was \$24.32 billion.
- The Central America Free Trade Agreement (CAFTA –DR) became effective in El Salvador on March 1, 2006. CAFTA-DR countries include: Costa Rica, Guatemala, Honduras, Nicaragua, and the Dominican Republic.
- El Salvador belongs to the World Trade Organization (WTO). In addition to CAFTA-DR, the country has free trade agreements with Chile, Mexico, Dominican Republic, Panama, Taiwan, Colombia, and Central America. It also has an Association Agreement with the European Union. Free trade agreements with Canada, Peru, Ecuador and Belize are under negotiation. A Partial Scope Agreement was signed with Cuba.
- El Salvador offers an open market for U.S. goods and services. Tariffs are relatively low, and were reduced further with the implementation of CAFTA-DR. The value-added tax (VAT) rate is 13%.
- In 2006, the Millennium Challenge Corporation (MCC) granted a five-year, \$461 million compact to the Government of El Salvador (GOES) to improve the lives of Salvadorans through strategic investments in education, public services, agricultural production, rural business development, and transportation infrastructure. The compact ended in 2012. A second compact was approved in September 2013 and is currently awaiting signature and implementation pending the completion of certain actions related to the improvement of the country's investment climate and rule of law.
- There are few import restrictions. Standards are based on ISO standards. Colombian, Mexican and U.S. standards are used as reference points. Labeling and testing are not major issues.

- El Salvador has close ties to the United States and is only a 3-4 hour flight from key U.S. cities. Four U.S. carriers operate in the country.
- El Salvador's strategic location in Central America makes it a good platform for industrial and service investments aimed at re-exports.
- El Salvador's economic freedom score is 66.2, receiving the position 59th in the 2014 Index. El Salvador is ranked 11th out of 29 countries in the South and Central America/Caribbean region.
- Since 2001, under the Monetary Integration Law, the U.S. dollar is the official currency. El Salvador enjoys fundamental macroeconomic stability, the lowest inflation in Central America, and one of the lowest interest rates in Latin America.
- Per capita income has risen during the last decade. Consumer demand is fueled both by the increase in income and the massive inflow of remittances from Salvadorans living in the United States.
- More than 2.5 million Salvadorans live in the United States. The most predominant component of El Salvador's balance of payments is the country's receipt of remittances, by far the largest source of foreign income. In 2013, remittances were \$3.9 billion, an increase of 7.2% compared to 2011; representing approximately 16% of the country's GDP.
- El Salvador enjoys a democratically elected government and has an excellent bilateral relationship with the United States. Most Salvadorans have a favorable view of the United States.

Market Challenges

Complaints from U.S. firms that have invested in El Salvador have increased over the past year. Lack of transparency and Rule of Law are some of the reasons for the deteriorating business climate in El Salvador. U.S. firms need to be aware of certain challenges, including the following:

- Crime and extortion are a critical threat for doing business in El Salvador, becoming the main constraint for foreign and domestic companies.
- Companies are increasingly reporting problems with government agencies' disregard for terms of government contracts, delays in payments, and amendments to existing contracts being imposed under duress.
- Businesses are also reporting problems obtaining permits from government agencies and municipalities in the time period stipulated by Salvadoran law.
- Labor law is generally in accordance with internationally recognized standards; however, the laws are not enforced consistently by government authorities. Several companies have expressed concerns about the government's application of labor laws, alleging a disregard for established legal procedures.
- The judicial system remains an area in need of reform, and presents increasingly significant hurdles for U.S. companies. The system is slow, costly, and tends to favor national interests. The

judicial system is not fully independent and remains vulnerable to political influence.

- Corruption remains a chronic problem. El Salvador was ranked 83th in the 2013 Transparency International Corruption Perceptions Index.
- Attempt to establish commercial arbitration have not been supported by the judiciary. Companies have reported long delays in arbitration cases. The Supreme Court has refused to uphold arbitration rulings in disputes involving government agencies or entities, when they have been decided in favor of foreign companies. In addition, companies have reported pressure from government agencies and entities to give up their right to arbitration in government contracts; usually before signing the contracts, but sometimes after contracts have been signed. In 2009, amendments to the Arbitrations Law were introduced to permit the domestic Salvadoran judiciary to encroach upon the institution of arbitration. In addition, Government officials have publicly stated that they won't accept the ruling of the International Court of Arbitration on an ongoing case regarding a geothermal generation company partially owned by the government and a foreign firm.
- U.S. and local companies have complained about a growing number of customs and non-tariff barriers, including: customs valuation, lack of consistency in decisions, and ignoring past precedence.

Market Opportunities

El Salvador offers a steady and growing market for a wide range of U.S. goods and services. Major projects are generally financed with funds from the Inter-American Development Bank (IDB), Central America Bank for Economic Integration (CABEI) and the Millennium Challenge Corporation (MCC).

In addition, a proposed judicial stability law for investments is under review by the Legislative Assembly. The law will guarantee some level of judicial and contract stability for national and foreign enterprises which undertake new investments in El Salvador. In addition to tax rate stability (exempts indirect taxes and new taxes), the new law will also provide customs regulatory stability and free transfer abroad of proceeds generated by investments. The draft law applies to specified sectors: aeronautics, agro industry, electronics, energy, strategic infrastructure, logistics, health services, distance business services, tourism, telecommunications and diverse manufacturers.

Medical Device Related Resources in El Salvador

- National Directorate of Medicines (DNM): www.medicamentos.gob.sv
- Ministry of Health: <http://www.mspas.gob.sv>
- Salvadoran Social Security Institute (ISSS): <http://www.iss.gob.sv>
- Salvadoran Government Purchasing Website: <http://www.comprasal.gob.sv>
- El Salvador Central Bank: <http://www.bcr.gob.sv>
- FIME Expo, Miami Beach, Florida: <http://www.fimeshow.com/>



Singapore

Market Overview

Singapore has won many accolades, reflecting the country's reputation as a key regional and global hub. The World Bank Report "Doing Business 2013" ranked Singapore as the world's easiest place to do business for the seventh consecutive year. The World Economic Forum (WEF) Global Competitiveness Report 2012-2013 cited Singapore as the second most competitive country in the world. In 2012, Singapore's real GDP grew 1.3% and the government forecasts that the economy will expand 1-3% in 2013. Inflation rose 4.6% in 2012 and the government expects inflation to increase 3-4% in 2013.

In 2012 Singapore was the United States' 13th largest export market and 17th largest trading partner. Malaysia was Singapore's top supplier of imports followed by China, the U.S., South Korea, Taiwan, Japan, Indonesia, Saudi Arabia, United Arab Emirates and India. The U.S. and Singapore signed a Free Trade Agreement (FTA) in May 2003 that went into effect on January 1, 2004. During the first nine years of the U.S.-Singapore FTA, two-way trade has increased 60% and U.S. exports have increased by 84.4%.

Singapore is a participant in the Trans-Pacific Partnership (TPP) negotiations, through which the United States and 10 other Asia-Pacific partners are seeking to establish a comprehensive, next-generation regional agreement to liberalize trade and investment. This agreement will advance U.S. economic interests with some of the fastest-growing economies in the world; expand U.S. exports, which are critical to the creation and retention of jobs in the United States; and serve as a potential platform for economic integration across the Asia-Pacific region.

Market Challenges and Opportunities

Singapore's open economy attracts suppliers from throughout the world, providing tough competition and reducing margins for U.S. companies. It is also seeing increased business costs, mostly in rentals and a tightening labor market. The government continues to control the inflow of foreign workers; this policy will result in slower growth for the country.

Singapore is a major trading hub; importing and exporting a wealth of products from consumer goods to high technology and industrial goods for re-export to third countries. U.S. companies will find attractive market opportunities in the following sectors: oil and gas equipment, aircraft and parts, pollution control equipment, medical devices, laboratory and scientific instruments, computer hardware and software, telecommunication equipment, university education services, and franchises.

The Singapore government and private industry are expected to invest in several major projects including:

- USD 1.4 billion expansion and improvement of the subway system;

- Over USD 1 billion LNG terminal that will be completed in 2017. The first phase was completed in May 2013 and the government is currently exploring the feasibility of constructing a second terminal;
- USD 150 million construction of very large floating structures to store oil and petroleum products
- Construction of a new 300-bed hospital for infectious diseases slated for completion by 2018 and a new USD 135 million National Heart Center Building; Construction of up to 25 public nursing homes by 2020, and four public
- acute medical care hospitals and up to 12 polyclinics by 2030;
- Private medical groups will spend more than \$406 million to build, expand and upgrade their healthcare facilities;

Construction of Singapore Changi Airport Terminal 4. The government has announced plans to build Terminal 5.



Norway

Market Overview

The Nordic region (Norway, Sweden, Denmark, and Finland) with its USD 1.7 trillion dollar plus economy is considered one of the ten largest economies in the world, and the fifth largest market in Europe. Throughout the world it is considered to be a test market for new sophisticated products/technology and an easy-to-enter export market for new and new-to-export companies. English is widely spoken, business agreements are reliable, and the infrastructure is first rate. The Nordic countries have close ties to the United States culturally, politically, and historically. There are great opportunities for American businesses.

- The Nordic countries are closely related in terms of language (except for Finland), ethnic roots, religion, history and a host of other ways, but they also differ in many ways.
- Norway is a modern, energy-rich country with 5.1 million people.
- Norway is considered one of the world's wealthiest countries with a Gross Domestic Product (GDP) per capita exceeding USD 67,300 based on purchasing power parities (ranked 2nd among OECD countries in 2013 and 1.7 times the average).

- Norway's external financial position is exceptionally strong from a global perspective and the country has an important stake in promoting a liberal environment for foreign trade.
- The country is richly endowed with natural resources - petroleum, hydropower, fish, forests, and minerals - and is highly dependent on the petroleum sector.
- Norway is the world's 10th largest exporter of crude oil and 3rd largest exporter of natural gas. Its large shipping fleet is one of the most modern among maritime nations. Other major industries, such as shipping, shipbuilding, fishing and fish farming, information technology, pulp and paper products, and light metals processing have prospered as well.
- The Norwegian economy features a combination of free market activity and government intervention. The government controls key areas, such as the vital petroleum sector, through large-scale state enterprises.
- The majority of Norwegians are fluent in English and many have very close cultural and family ties to the United States.
- Norwegian business ethics are similar to those of the United States.
- Norway is not a member of the European Union (EU), but is linked to the EU through the European Economic Area (EEA) agreement. By virtue of the EEA, Norway is practically part of the EU's single market, except in fisheries and agriculture.
- Norway is part of the Schengen Agreement, which guarantees free movement of persons and the absence of internal border control between 22 of the 28 EU Member States, as well as Iceland, Switzerland and Liechtenstein. All passport controls between these Schengen countries have been abolished.

Market Opportunities

The overall economic and trade relationship is strong, and Norway's import climate is generally open and receptive to U.S. products and investments. For information on existing trade barriers use the link to the National Trade Estimate Report on Foreign Trade Barriers, published by USTR:

<http://www.ustr.gov/sites/default/files/2014%20NTE%20Report%20on%20FTB.pdf>

The domestic market is small, but the country can serve as an attractive base for business operations in the Nordic, Baltic, and/or Western Russian markets.

Norway spends an estimated USD 7 billion annually on its hospitals, and there is an attractive market for innovative, high quality medical and dental equipment. A further USD 300 million has been earmarked for the Norwegian Ministry of Health and Care Services as part of increased government spending in the wake of the current economic downturn. These investments are earmarked for upgrading hospital and building new facilities for senior citizens. There have also been reports that equipment in Norwegian hospitals is outdated, and the cost of replacing this equipment is estimated at USD 600 million.

U.S. companies have excellent opportunities to capture a significant share of new contract awards in Norway's offshore oil and gas, renewable energy, information technologies, shipping and maritime, defense, healthcare, and travel and tourism, and consumer goods sectors.

Tariff

When choosing a target country, ABC Manufacturing needs to consider trade barriers such as tariffs, the taxes imposed on imported goods in the target markets, as they can be a major factor in determining pricing. Most classification systems are based on the Harmonized System of Tariff Nomenclature, which was developed by the World Customs Organization; and are often calculated as a percentage of the value of the product, known as an ad valorem duty. Tariff schedules can be obtained from the CUSTOMS Info database.¹² Value added tax (VAT) is not an import tax; rather, it is a consumption tax applied to products purchased by the consumer, regardless of origin. It is important for the company to also note VATs.

The following tariff and tax calculations are based on the commodity codes discussed with ABC Manufacturing. As commodity codes differ on the last four digits by country, a best attempt was made to match products, though ABC Manufacturing should consult with a Licensed Customs Broker HS code determination prior to making sales decisions.

| Country | Trade Agreement | % Tariff 9018.19 | % Tariff 9018.50 | % Tariff 9018.90 | Comments, Tax |
|----------------------------------|-----------------|------------------|------------------|------------------|---|
| NORTH AMERICA | | | | | |
| Canada | Yes | 0 | 0 | 0 | NAFTA; May be subject to 5% goods and services tax (GST). 2015 Canadian Customs Tariff Schedule, Chapter 90: http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2015/01-99/ch90-2015-eng.pdf See guide to importing commercial goods to Canada: http://www.cbsa-asfc.gc.ca/import/guide-eng.html |
| Mexico | Yes | 0 | 0 | 0 | NAFTA; Tax: 16% applied on CIF+Duty. VAT will be reduced to 11% if shipping within the “border regions” of the U.S. and Mexico. In some cases sanitary certificate may be required by COFEPRIS. Online tariff information system: http://187.191.71.239/ |
| CENTRAL AND SOUTH AMERICA | | | | | |
| Costa Rica | Yes | 1 | 1 | 1 | CAFTA-DR; 13% VAT, also |

¹² <http://export.customsinfo.com/Default.aspx>

| | | | | | |
|---------------------------|-----|----|----|----|--|
| | | | | | selective consumption tax (variable), 13% sales tax levied on the CIF value of the item reported. CAFTA treatment waives 1% surcharge. See Costa Rica-specific tariff schedule for CAFTA-DR: http://www.ustr.gov/sites/default/files/uploads/agreements/cafta/asset_upload_file63_3959.pdf |
| El Salvador | Yes | 0 | 0 | 0 | CAFTA-DR; 13% VAT. See El Salvador-specific tariff schedule for CAFTA-DR: http://www.ustr.gov/sites/default/files/uploads/agreements/cafta/asset_upload_file511_3960.pdf |
| Panama | Yes | 10 | 15 | 10 | US-Panama Trade Promotion agreement (TPA). 7% transfer or value-added tax (ITBM) levied on CIF value. See Panama-specific tariff schedule: http://www.ustr.gov/sites/default/files/uploads/agreements/fta/panama/asset_upload_file46_10910.pdf |
| Dominican Republic | Yes | 3 | 3 | 3 | CAFTA-DR. Up to 18% VAT (ITBIS). See “DR Final Tariff Schedule” link on right: http://www.ustr.gov/trade-agreements/free-trade-agreements/cafta-dr-dominican-republic-central-america-fta |
| Brazil | No | 14 | 14 | 16 | Four additional value-added taxes totaling up to 27.25% See site about importing (exporting) to Brazil: http://thebrazilbusiness.com/article/the-complete-guide-to-brazilian-import |
| Chile | Yes | 6 | 6 | 6 | US-Chile FTA; 19% VAT (IVA). See “Chile Tariff Schedule” on right: http://www.ustr.gov/trade-agreements/free-trade- |

| | | | | | |
|-----------------------|-----|----|----|----|---|
| | | | | | agreements/chile-fta |
| Colombia | Yes | 10 | 10 | 10 | US-Colombia TPA; Up to 16% VAT. See Colombia-specific tariff schedule: http://www.ustr.gov/sites/default/files/uploads/agreements/fta/colombia/asset_upload_file276_10186.pdf |
| Peru | Yes | 4 | 4 | 4 | US-Peru TPA. Up to 18% VAT. See “Peru Tariff Schedule” on right: http://www.ustr.gov/trade-agreements/free-trade-agreements/peru-tpa |
| EUROPE | | | | | |
| Austria | No | 0 | 0 | 0 | Up to 20% VAT. |
| Czech Republic | No | 0 | 0 | 0 | Up to 20% VAT. |
| France | No | 0 | 0 | 0 | Up to 20% VAT. Tariff applies to entire country except New Caledonia, Mayotte, Saint-Pierre and Miquelon, Wallis, and Futuna Islands, French Polynesia, French Southern and Antarctic Territories. |
| Ireland | No | 0 | 0 | 0 | Up to 23% VAT |
| Italy | No | 0 | 0 | 0 | Up to 22% VAT. Tariff applies to entire country except the municipalities of Livigno and Campione d’Italia and the national waters of Lake Lugano which are between the bank and the political frontier of the area between Ponte Tresa and Porto Ceresio. |
| Netherlands | No | 0 | 0 | 0 | Up to 21% VAT |
| Norway | No | 0 | 0 | 0 | Up to 25% VAT |
| Poland | No | 0 | 0 | 0 | Up to 23% VAT |
| Switzerland | No | 0 | 0 | 0 | Up to 8% VAT |
| Greece | No | 0 | 0 | 0 | Up to 23% VAT |
| Turkey | No | 0 | 0 | 0 | Duty assessed at CIF value. Up to 18% VAT. |
| MIDDLE EAST | | | | | |
| Israel | Yes | 0 | 0 | 0 | US-Israel Free Trade Area Agreement (FTAA). 18% VAT. See Israel Customs and Purchase Tax Tariff system: http://62.219.95.10/TaarifEngl |

| | | | | | |
|--------------------------|-----|---|---|-----|---|
| | | | | | ish/TaariffFindPrat.aspx |
| Saudi Arabia | No | 5 | 5 | 5 | Currently no VAT |
| AFRICA | | | | | |
| South Africa | No | 0 | 0 | 0 | Up to 14% VAT |
| ASIA AND OCEANIA | | | | | |
| Australia | Yes | 0 | 0 | 0 | US-Australia FTA. 10% goods and services tax (GST). See General tariff schedule: http://www.customs.gov.au/webdata/resources/files/ht90aw2012.pdf U.S.-origin goods schedule: http://www.customs.gov.au/webdata/resources/files/Sch5c.pdf |
| Hong Kong | No | 0 | 0 | 0 | No VAT |
| Republic of Korea | Yes | 0 | 0 | 5.6 | US-Korea Free Trade Agreement (KORUS) 10% VAT. See FTA Tariff Tool: http://export.gov/FTA/ftatariff/tool/FTAMain.aspx |
| Philippines | No | 1 | 1 | 1 | Up to 12% VAT |
| Singapore | Yes | 0 | 0 | 0 | US-Singapore FTA; 7% goods and services tax based on CIF value plus all duties and other charges. Might need license from Health Science Authority. See Singapore tariff schedule: http://www.ustr.gov/trade-agreements/free-trade-agreements/singapore-fta |
| Vietnam | No | 0 | 0 | 0 | Up to 10% VAT |

Legal Considerations¹³

Intellectual Property

Federal intellectual property protection extends only throughout the United States, its territories and possessions. U.S. intellectual property rights laws offer little or no protection in other countries. The company should consider protecting trade secrets through appropriate confidentiality provisions in employment, licensing, marketing, financing, distribution, and joint venture agreements.

In most countries, trademark rights are acquired only through registration, and many countries require local use of the registered mark to maintain the registration. Whether a given mark can be registered in a particular country will depend on the law of that country. The U.S. is not a member of any agreement

¹³Protecting IP abroad, http://export.gov/regulation/eg_main_018818.asp

under which a single filing will provide international protection. ABC Manufacturing would need to register its trademark in each country separately.

For more information, ABC Manufacturing is encouraged to visit the World Intellectual Property Organization website: <http://www.wipo.int>

Complying with U.S. Export Controls

It is recommended that ABC Manufacturing consult with the Bureau of Industry and Security (BIS) on export compliance to determine whether an export license is required and assist in classifications and commodity jurisdiction determinations. Further research is required by the company's management team to determine if the technical specifications match those listed on the Commerce Control List (CCL) and determine the appropriate Export Control Classification Numbers (ECCN).

License to export is contingent upon the following:

- What are you exporting?
- Where are you exporting?
- Who will receive your item?
- What will your item be used for?

To determine the regulations surrounding your export, the following items must be completed:

1. Identify the Export Control Classification Number for the product.
2. Use the Commerce Country Chart to discover the country-specific regulations related to the export destination.
3. Review the Entity List, the Specially Designated Nationals and Blocked Persons List, the Unverified List and the Denied Persons List to determine if it is legal to sell the product to the country and customer, with or without a license.

Company management should visit the Bureau of Industry and Security's website at www.bis.doc.gov and <http://www.bis.doc.gov/licensing/exportingbasics.htm>. Online training can be obtained at <http://www.bis.doc.gov/index.php/compliance-a-training/export-administration-regulations-training/online-training-room>.¹⁴ The BIS frequently holds export compliance training sessions in cities across the country. It is highly recommended that management attend such training. *A list of compliance resources is also provided in the Appendix.*

Upcoming training sessions: **"Complying with U.S. Export Controls"** Description: This two-day program is led by BIS's professional counseling staff and provides an in-depth examination of the Export Administration Regulations (EAR). The program will cover the information exporters need to know to comply with U.S. export control requirements on commercial goods. The training focuses on what items and activities are subject to the EAR; steps to take to determine the export licensing requirements for your item; how to determine your export control classification number (ECCN); when you can export or re-export without applying for a license; export clearance procedures and record keeping requirements; Export Management Compliance Program (EMCP) concepts; and real life examples in applying this information. Presenters will conduct a number of "hands-on" exercises that will prepare you to apply

¹⁴ Bureau of Industry and Security, U.S. Department of Commerce; www.bis.doc.gov

the regulations to your own company's export activities. This one-of-a-kind program is well suited for those who need a comprehensive understanding of their obligations under the EAR.

Current Seminar Schedule can be found here: <http://www.bis.doc.gov/index.php/compliance-a-training/export-administration-regulations-training/current-seminar-schedule>

- February 10-11, 2015: Ft. Lauderdale, FL
- March 11-12, 2015: Portland, OR
- March 11-12, 2015: Houston, TX
- March 25-26, 2015: San Diego, CA

Note: More dates are available through the link provided above.

Market Entry Strategy

A spectrum of market entry strategies is available to companies that export, from utilizing an export management company to conducting foreign direct investment. Deciding the most appropriate strategy requires considering risks, rewards, and available resources. Indirect exporting is lower cost, but also lowers control of the sales process overseas. The more direct the export strategy, the greater the costs and control. Below are a number of strategies that may be employed in part or in whole. Company management will need to select the strategy most appropriate to the level of risk, cost, and control that is desired. From discussions with company management, the company is aiming to adopt a direct marketing approach.

Indirect (turning over the foreign market entry to a third party):

- **Export Management Company (EMC) or Export Trading Company (ETC)** – These companies sell and market products and services internationally on behalf of the domestic manufacturers. They are the equivalent of an in-house international department handling sales, marketing, invoicing, shipping, foreign receivables risk, customer training and support, and warranty issues.
- **Piggyback Exporting** – Piggybacking offers a relationship with a U.S.-based company that is successful internationally and does not manufacture or sell competing goods, but does sell to the same customer base. The piggyback partner would represent ABC Manufacturing overseas and pass sales back to the company.

Direct approaches include:

- **Sales Agent** – Agents abroad represent the products in the market but never take legal title to the goods nor maintain inventory. The agent makes the sale, but the manufacturer invoices the customer and assumes the accounts receivable risk. Once payment has been received, the manufacturer pays the agent a commission.
- **Distributor** – Unlike agents, distributors will order directly from ABC Manufacturing and take title of the goods per the sales terms, and inventory the merchandise locally. ABC Manufacturing would ship to the distributor in bulk with no knowledge of who the final consumers will be. Often distributors have strong branding of the manufacturer, are more likely to be aggressive in their marketing activities, conduct customer support activities, and have extensive knowledge of local importing practices as well as good freight contacts.

Foreign Direct Investment – FDI is the most involved form of exporting, as it requires an investment made by the company in a facility in a foreign country to market and/or produce a product. This strategy is not recommended as an initial export strategy.

A variety of resources are available regarding country-specific information on market entry. One of the most valuable resources is the U.S. Commercial Service’s Country Commercial Guides. These are standardized reports in which “Chapter 3: Selling U.S. Products and Services” contains current information on specific considerations from marketing to hiring a sales representative, to conducting foreign direct investment. Once the company prioritizes the markets it will enter, a thorough review of market entry considerations for each market should be undertaken. It is strongly recommended that company management review the Country Commercial Guides for each target country; these valuable resources are written annually by Commercial Specialists and can be accessed free of charge on the Market Research Library at http://www.buyusainfo.net/adsearch.cfm?search_type=int&loadnav=no

Additional resources for partnership searches and vetting include:

- Kompass database (available through local Enterprise Florida office),
- U.S. Commercial Service, including International Partner Searches (IPS), Gold Key and other matchmaking services,
- Trade publications such as the U.S. Commercial Service’s “Commercial News USA: American Exporters Seeking Partners Worldwide,”
- Private company partnership searches and matchmaking services, and
- Trade shows and trade missions

A Note on Agreements and Commissions

ABC Manufacturing will need to negotiate agreements and commissions with its export partners. This should be done with care and the company should take advantage of local resources in the countries it enters, including local attorneys who are familiar with local law, when reviewing and negotiating these agreements. The U.S. Embassy in foreign countries will frequently keep lists of local attorneys, and a number of large international firms have offices in northeast Florida as well as smaller law offices that specialize in international business. International distributor contracts often contain the following sections:

- Definitions – Parties, common terms, products covered (appendix), geography (appendix)
- Exclusive vs. Non-Exclusive – If exclusive, includes performance targets
- Terms of the Agreement – Duration and renewal
- Technical Information – Protection of manufacturer’s product’s technical information
- Duties of Each Partner – Translation, training, installation, after sales support, etc.
- Termination – Some countries include generous provisions for termination without “just cause”
- Dispute Resolution - Growing use of arbitration globally
- Governing Law – Often gives guidance on the laws used to understand contract, not necessarily where case would be tried

A Note on ATA Carnet “Merchandise Passport” and Temporary Importation Bond (TIB)¹⁵

In the event that ABC Manufacturing is required to take highly specialized equipment, or “tools of the trade,” on an international trip (whether to close a sale, demo the product, or train partners), getting tools in and out of customs can be a challenge. An ATA carnet, or “merchandise passport,” may speed this process and be cost effective in countries where it is available. The program is governed by the World Customs Organization and International Chamber of Commerce and its World Chambers

¹⁵ See site about temporary import options, http://export.gov/logistics/eg_main_018129.asp

Federation. A full list of the 108 participating countries/regions and information on how the certificate works are available at the following website: <http://www.merchandisepassport.org/>

A temporary importation bond (TIB) is an alternative to the ATA carnet in countries where the latter is not available. A TIB is usually purchased from a customs broker at the time of entry, and is usually paid in cash in the importing country's currency (fees vary by country). The money is eventually refunded after the transaction is complete.

Another alternative is a duty drawback. Information on this option may be found here: <http://www.cbp.gov/trade/nafta/guide-customs-procedures/effect-nafta/en-drawback-duty>

ABC Manufacturing's market entry strategy into foreign countries will highly depend on the target country chosen by the company and the specific regulations of such country in terms of foreign service providers (local registration requirements, taxes, visas, etc.). However, considering the industry data analyzed and the general experience of other manufacturing companies that have expanded internationally, it is recommended that ABC Manufacturing try to find local partners in the targeted countries. The ultimate decision would be determined by ABC Manufacturing's management team based on the information provided in this plan, and the feedback and assistance of Enterprise Florida and the U.S. Commercial Service. The decision can also be market specific, or in some markets, a combination of strategies can be used.

Other considerations:

- For all entry options, legal agreements will be required with the help of an in-country and a U.S. attorney with international expertise. Countries with free trade agreements will provide more legal protection to ABC Manufacturing, in case the company decides to hire an employee overseas or incurs a dispute with a partner.
- The Country Commercial Guides created by the U.S. Commercial Service contain specific information on market entry issues and legal considerations. The Guides can be found at the U.S. Commercial Service Market Research Library, http://www.buyusainfo.net/adsearch.cfm?search_type=int&loadnav=no

Finding Trading Partners

Gold Key Matching Service

The Gold Key Matching Service is a customized buyer-finding solution offered by the U.S. Commercial Service in key export markets around the world. The service includes orientation briefings; market research; appointments with potential partners; interpreter services for meetings; and assistance in closing the deal, shipping the goods, and getting paid.

The Gold Key Matching Service offers:

- Customized market and industry briefings with trade specialists
- Timely and relevant market research
- Appointments with prospective trade partners in key industry sectors
- Post-meeting debriefing with trade specialists and assistance in developing appropriate follow-up strategies

- Help with travel, accommodations, interpreter service, and clerical support

It is highly recommended that ABC Manufacturing take advantage of the Enterprise Florida grant for one standalone Gold Key with the U.S. Commercial Service. The FSBDC at UNF will assist the company in communicating with the Jacksonville U.S. Commercial Service office to complete this service.¹⁶ Further instructions and the application for a Gold Key Matching Service will be presented to the company by your local U.S. Commercial Service representative. A limited number of these grants are available on a first-come, first-served basis. Companies may also apply for a Target Sector Trade Grant from Enterprise Florida to help cover some of the costs of exhibiting at an overseas trade show.

Export USA

Export USA (formerly Commercial News USA) is the official U.S. Department of Commerce showcase for American-made products and services. It provides worldwide exposure for U.S. products and services through an illustrated catalog-magazine and electronic bulletin boards. Export USA is designed to help U.S. companies promote products and services to buyers in more than 178 countries. Each issue of the free bimonthly catalog-magazine reaches an estimated 400,000 readers worldwide. Export USA is mailed directly to qualified recipients and is also distributed by Commercial Service personnel at U.S. embassies and consulates throughout the world. For more information, call 1.800.581.8533, ext. 802 or visit <http://thinkglobal.us>

Featured U.S. Exporters

Featured U.S. Exporters (FUSE) is a directory of U.S. products presented on the web sites of many U.S. Commercial Service offices around the world. It gives your company an opportunity to target markets in specific countries in the local language of business. This service is offered free of charge to qualified U.S. exporters seeking trade leads or representation in certain markets. To find out if your company qualifies and to request a free listing, please contact your local U.S. Commercial Service representative.

Trade Leads Database

The Export.gov Trade Leads database contains pre-screened, time-sensitive leads and Government Tenders gathered through U.S. Commercial Service offices around the world. ABC Manufacturing can search leads and receive notification when new leads are posted. To search the Trade Leads Database, visit http://export.gov/eac/trade_leads.asp (registration required). Additionally, Enterprise Florida, Inc. offers trade lead announcements that are emailed monthly; to receive these notifications, subscribe to EFL's trade events newsletter by emailing Janet Jainarain with your interest: jjainarain@eflora.com.

Florida Export Directory

The Florida Export Directory is designed to bring buyers together with Florida suppliers of goods and services in a wide variety of industries. It is the cornerstone of an integrated global marketing initiative created by Enterprise Florida, Inc. in partnership with The Export Yellow Pages. The Export Yellow Pages is an online resource and marketing platform for U.S. companies, exporters, and service providers. It gives U.S. exporters a simple, fast and convenient way to establish international contacts and conduct business and trade around the globe. To request a listing, visit:

<http://www.exportyellowpages.com/Registration> and
<http://www.floridaexportdirectory.com/Registration/>

Trade Shows

A trade show is an exhibition organized so that companies in a specific industry can showcase and demonstrate their latest products or services, study activities of rivals, and examine recent market trends and opportunities. Trade shows are held domestically and internationally, and frequently foreign

¹⁶ www.export.gov/eac

distributors or agents attend domestic trade shows. The U.S. Department of Commerce and Enterprise Florida each have dedicated space at many shows for U.S. and Florida businesses, respectively. A complete search of domestic and international trade shows can be found at: http://export.gov/eac/eg_main_017402.asp

Action Plan

| Action Item | Timeline | Budget |
|--|---------------------------------|---|
| 1. Prioritize Markets | Upon receipt of plan | None |
| 2. Analyze Country- and Industry-Specific Reports | 1 month | \$0-\$5,000/report |
| 3. Build an Export Support Team | As soon as possible | No cost for FSBDC, EFI, U.S. Commercial Service Varies for other professional services |
| 4. Conduct Further Research on International Competition | 2 months | TBD |
| 5. Develop and Select Market Entry Strategy | 2 months | \$350/hour consultation if necessary |
| 6. Determine Landed Cost by Market | 3 months | Varies |
| 7. Understand Regulatory Compliance & Create an Export Compliance Program | 3 months | None, unless private consultant is utilized |
| 8. Develop International Marketing Collateral & Localize/Internationalize Company Website | 3-4 months | Translation costs \$0.07-\$0.14/word Booth design \$2,500-\$5,000 Flyers/Brochures \$5,000-\$10,000 |
| 9. Develop Export Performance Metrics | 3-4 months | None |
| 10. Utilize Enterprise Florida's Gold Key Grant with U.S. Commercial Service and/or Apply for a Target Sector Trade Grant | As soon as possible* | Travel-related expenses (airfare, lodging, transportation, per diem) |
| 11. Utilize FSBDC at UWF's Consulting, Training, and Special Programs | As soon as possible and ongoing | None |

| | | |
|--|---------------|-------------------------|
| 12. Attend International Trade Training | Ongoing | \$0 or minimal |
| 13. Follow Up/Additional Sales Trips | Within 1 year | Travel-related expenses |
| 14. Review Results and Repeat Process | Annually | TBD |

*** A limited number of these grants are available on a first-come, first-served basis. Companies may also apply for a Target Sector Trade Grant from Enterprise Florida to help cover some of the costs of exhibiting at an overseas trade show.**

1. Prioritize Markets

ABC Manufacturing management must explore all of the options based on the research results; analyze the data presented in this plan, as well as consider their own experience and goals to determine which countries to pursue. It is best to tackle one or two markets at a time, and geographic proximity amongst markets can be an important consideration.

Timeline: This task should be completed upon receipt of the export marketing plan.

Budget: No budget is required to complete this task.

Measurement of Success: Arriving at a decision on which markets to target and/or in which order.

2. Analyze Country-Specific and Industry-Specific Reports

While conducting research for this plan, multiple industry-specific and country-specific reports were examined. ABC Manufacturing can work with the FSBDC at UWF and UNF to access these and other reports at no-cost via university library resources and www.export.gov. The company can also opt to purchase reports for a fee through research groups such as Frost & Sullivan (www.frost.com) and IHS (<http://www.ihs.com/products/index.aspx>).

Timeline: This task should be completed within one month of receiving this plan.

Budget: None, unless ABC Manufacturing would like to purchase reports at an average of \$5,000 per report.

Measurement of Success: Obtaining in-depth information about target markets and industry.

3. Build an Export Support Team

ABC Manufacturing will need an internal and external export support team in order to be successful in the international arena. The support team may include any or all of the following: the Florida Small Business Development Center at UNF, the U.S. Commercial Service, Enterprise Florida, an international attorney, an international Certified Public Accountant (CPA), an international banker, and a freight forwarder. The Export Legal Assistance Network is a cooperative program among the Federal Bar Association, U.S. Department of Commerce, and U.S. Small Business Administration in which attorneys and private law firms provide free initial consultations to businesses looking to begin exporting. For more information, visit <http://www.exportlegal.org>.

Information on the FSBDC at UNF as well as local U.S. Commercial Service and Enterprise Florida representatives are below:

Katie Arroyo, International Trade Specialist
 Florida Small Business Development Center at UNF

12000 Alumni Dr.
Jacksonville, FL 32224
E-Mail: k.arroyo@unf.edu
Phone: (904) 620-5304
Fax: (904) 620-2567
www.sbdc.unf.edu

Jorge Arce, Director
U.S. Commercial Service
U.S. Department of Commerce
3 Independent Drive
Jacksonville, FL 32202
E-Mail: Jorge.Arce@trade.gov
Phone: (904) 232-1270
Cell: (904) 477-9485
Fax: (904) 232-1271
www.export.gov

Larry Bernaski, Regional Manager
ENTERPRISE FLORIDA
Regional Manager, International Trade Development
Marine Industry Specialist
Three Independent Drive
Jacksonville, FL 32202
E-Mail: lbernaski@eflorida.com
Phone: (904) 359-9350
www.eflorida.com

Timeline: As soon as possible

Budget: No-cost for meetings with FSBDC, U.S. Commercial Service, and Enterprise Florida. Fees vary for attorney, CPA, and freight forwarder.

Measurement of Success: Meeting with the individuals listed above in order to assist in executing the export strategy.

4. Conduct Further Research on International Competition

ABC Manufacturing should analyze the competitors presented in this plan as well as conduct further research on international competition. Consultation with the U.S. Commercial Service as well as exploring company databases can assist the company in further assessing competitors. This includes: private databases such as Dun and Bradstreet, Kompass, local and state contacts such as U.S. Chambers of Commerce, trade associations, and the Internet.

Timeline: This task should be completed within 2 months of receipt of this plan.

Budget: TBD (international telephone calls may be necessary)

Measurement of Success: Obtaining additional information on competitors.

5. Develop and Select a Market Entry Strategy

After prioritizing markets and reaching a decision on which to enter first, ABC Manufacturing should consider the risks, rewards, and available resources in the various market entry options and arrive at a decision. Specific consideration to contract negotiation and intellectual property rights will differ from country to country. This decision can be made with the assistance of consultation by the U.S.

Commercial Service and Enterprise Florida representatives. A legal consultation with an international attorney can also be considered. Analyzing competitors that export to these new markets can also provide some guidance.

Timeline: This task should be completed within 2 months of receipt of the export marketing plan.

Budget: ABC Manufacturing should budget \$350 for a one-hour consultation with an international attorney, if necessary. Consultation with resource partners is free of charge.

Measurement of Success: Arriving at a decision on how to enter new markets.

6. Determine Landed Cost by Market

ABC Manufacturing should conduct further research to determine the landed cost of their products in order to set prices. Prices also need to be in line with foreign market objectives.

Costs to be considered include:

- Direct materials and labor costs
- Factory overhead costs
- Operating expenses, such as: catalogs, slide shows, video presentations; commissions; communications; consultant fees; credit checks; export advertising; freight forwarder fees; insurance; interest; legal expenses; market research; packing and labeling materials; patent and trademark fees; product modification; promotional material; taxes; translation costs; transportation expenses; travel expenses

Key points to remember when determining your product's price include:

- Determine the objective in the foreign market
- Compute the actual cost of the export product
- Compute the final consumer price
- Evaluate market demand and competition – local manufacturers and manufacturers in countries that have trade agreements with the specific market will generally have lower prices.
- Consider modifying the product to reduce the export price
- Include “non-market” costs, such as tariffs and customs fees.
- Exclude cost elements that provide no benefit to the export function, such as domestic advertising.

An understanding of INCOTERMS (international commercial terms)¹⁷ and their implications for cost and competitiveness will factor into the calculation. Terms of sale define the obligations, risks and costs of the buyer and seller involving the delivery of goods that make up the export transaction. The company should also understand how landed cost pricing matches up with existing competitors in the foreign markets. Further, the company should also have a good understanding of the various methods of payment.

¹⁷ See the International Chamber of Commerce site on INCOTERMS, <http://www.iccwbo.org/products-and-services/trade-facilitation/incoterms-2010/the-incoterms-rules/>

Timeline: This task should be completed within 3 months of receipt of the export marketing plan.

Budget: This can be handled internally; however a consultation with an international banker and freight forwarder may be necessary.

Measurement of Success: Calculated landed costs for each product to be exported

7. Understand Regulatory Compliance & Create an Export Compliance Program

As stated in the export marketing plan, export compliance is mandatory and must be thoroughly understood. ABC Manufacturing is strongly urged to contact the Bureau of Industry and Security to determine Export Control Classification Numbers (ECCN), if applicable. A good starting point is through the Bureau of Industry and Security's Introduction to Export Controls:

<http://www.bis.doc.gov/licensing/exportingbasics.htm>.

It is also recommended that company management attend the Bureau of Industry and Security's "Complying with U.S. Export Controls" training. Information and schedules of this training can be found at: <http://www.bis.doc.gov/index.php/compliance-a-training/export-administration-regulations-training/current-seminar-schedule>. Additionally, company management should look into whether ABC Manufacturing's products are subject to ITAR.

Timeline: Within 3 months

Budget: None, unless private consultant is utilized or travel to training is required

Measurement of Success: Successfully complying with export controls

8. Develop International Marketing Collateral and Localize/Internationalize Company Website

This includes website translation, as well as the creation of flyers and brochures about ABC Manufacturing and its products translated into foreign language(s), for general distribution or trade shows. Also, this task includes designing booths for trade shows as well as any banners, posters, or promotional items to be displayed and distributed.

Further, the company will want to either localize or internationalize its website, or a mixture of both. Localization consists of adapting the website to meet the linguistic, cultural, and commercial requirements of a targeted market. Internationalizing enables the company to be multilingual and sensitive to cultural conventions without the need for extensive redesign. Features to consider are: language; cultural nuances (such as differences in color association and symbols); payment preferences; pricing in the appropriate currency; currency converter; and metric measurements. Websites should also welcome global visitors; include international dialing information and accessible hours for live customer service. The U.S. Commercial Service offers training on internationalizing company websites, available for a small fee.

Additionally, company management should continually review Google Analytics reports with regard to location hits. Multiple website visits from the same country can indicate interest from that country.

Timeline: Within 3-4 months, however certain material must be ready prior to attending international trade shows, trade missions, or Gold Key Matching.

Budget: Translation costs range from \$0.07 to \$0.14 per word. Trade Show booth designs can range from \$2,500 to \$5,000 and flyers/brochures can range from \$5,000 to \$10,000.

Measurement of Success: Correctly translated, attractive, and informative marketing collateral

9. Develop Export Performance Metrics

In order to measure the company's export initiatives, ABC Manufacturing management should develop export performance metrics. Objectives can be described in terms of sales, profits, or marketing measures; or by subjective measures such as direct sales per country, distributor or customer satisfaction.

Timeline: Within 3-4 months

Budget: None

Measurement of Success: Arriving at a set of performance metrics

10. Utilize Enterprise Florida's Gold Key Grant with the U.S. Commercial Service and/or Apply for a Target Sector Trade Grant

It is important for the company to coordinate with Enterprise Florida and the U.S. Commercial Service in order to execute this plan and begin planning for the Gold Key Matching Service and/or Target Sector Trade Grant. Enterprise Florida, Inc. will be contacting your company to send the application. In the meantime, the company should ensure key executives have valid U.S. passports as well as visas and vaccinations, if applicable. **A limited number of these grants are available on a first-come, first-served basis. Companies may also apply for a Target Sector Trade Grant from Enterprise Florida to help cover some of the costs of exhibiting at an overseas trade show.**

Timeline: As soon as possible. **Lead time to process and plan for a Gold Key with the U.S. Commercial Service is 6-8 weeks.**

Budget: Travel-related expenses (airfare, lodging, transportation, per diem).

Measurement of Success: Arriving at a decision on the Gold Key Matching Service or Trade Missions, executing the opportunity, and establishing partners in the new markets.

11. Utilize FSBDC at UNF's Consulting, Training, and Special Programs

The Florida Small Business Development Center at UNF has consulting and training opportunities, as well as other special programs that are tailored to help businesses grow.

The International Trade Certificate Program is a 6-week series hosted every spring by the FSBDC at UNF, Enterprise Florida, and the U.S. Commercial Service in Jacksonville. Each half-day class includes sessions led by experts from the field of international trade who speak about preparing for export, finding international partners, international legal issues, international marketing strategy, logistics, export financing, the Certified Global Business Professional certification, and cross-cultural communication. Additionally, actual small business exporters join the classes to speak about their experience. The series concludes with personal tour of JAXPort and presentation of certificates of completion.

The Government Contracting Program assists established Florida businesses with government contracting and procurement support services including assistance with marketing, proposal preparation and contract administration. The Government Contracting Specialist also provides assistance with various small business program applications as well as the Service Disabled Veteran Owned Small Business verification process, and the Federal Woman Owned Small Business Program.

Confidential one-on-one Consulting Services are also available at no cost. Meet with one of our Certified Business Analysts in a confidential setting to discuss your current business issues. Areas of assistance include: accounting, finance, marketing, operations, business continuity, and technical

assistance.

More information on the FSBDC at UNF's services, visit their website: <http://www.sbdc.unf.edu/>

Timeline: As soon as possible and ongoing.

Budget: Most of the FSBDC at UNF's consulting services are at no cost. Training opportunities are available at low cost.

Measurement of Success: Successfully participating in the Program(s).

12. Attend International Trade Training

It is important to create an "international culture" within the company by training multiple individuals. There are a variety of educational training opportunities available through the U.S. Commercial Service, Enterprise Florida, and the FSBDC. From time to time, the local offices of the U.S. Commercial Service and Enterprise Florida host "Doing Business In" seminars for specific countries. If the country is a target market, ABC Manufacturing could benefit from attending both to learn more about the market and by networking with others who are currently doing business in the country.

Additional sources of training include webinars available through www.export.gov, the book: *A Basic Guide to Exporting* (U.S. Department of Commerce, International Trade Administration); globalEDGE, a gateway to specialized international business research, www.globaledge.msu.edu, and through the U.S. Census Bureau's free Go Global webinar series, http://www.census.gov/mso/www/training/foreign_trade.html

Timeline: Ongoing

Budget: Nominal, depending on training selected (free archive of webinars and new webinars for a small fee)

Measurement of Success: Building internal export knowledge

13. Follow Up/Additional Sales Trips

Aside from the Gold Key Matching Service and/or Target Sector Trade events, additional sales trips and/or trade show attendance may be necessary and therefore should be budgeted.

Timeline: Within 1 year and ongoing

Budget: For cost of booth development (if participating in trade show) and travel expenses (lodging, airfare, per diem) for 2 representatives, ABC Manufacturing should budget approximately \$20,000.

Measurement of Success: Potential new buyers identified

Appendix

Reference Materials

MarketLine Industry Profile: *Global Health Care Equipment & Supplies*, July 2013.

IBISWorld Industry Report 33451b: *Medical Device Manufacturing in the US* by Jocelyn Phillips, August 2014.

IBISWorld Industry Report OD5971: *Ambulatory Surgery Centers in the US* by Jeremy Edwards, December 2014.

Barnes Reports: *Worldwide Ambulatory Surgical & Emergency Centers (NAICS 621493)* by C. Barnes & Co., 2013.

Medical Devices Industry Assessment,

http://export.gov/build/groups/public/@eg_main/@byind/@healthtech/documents/webcontent/eg_main_o68140.pdf, by U.S. Department of Commerce, Foreign Commercial Service.

Industry Resources

SelectUSA Page on Medical Device industry

<http://selectusa.commerce.gov/industry-snapshots/medical-device-industry-united-states>

International Trade Administration/Department of Commerce site on Medical Devices

<http://ita.doc.gov/td/health/medical.html>

Department of Commerce Industry Assessment

<http://ita.doc.gov/td/health/medical%20device%20industry%20assessment%20final%20ii%203-24-10.pdf>

Endo Scoop: Connecting the Endoscopic Community

https://www.linkedin.com/groups?gid=1866183&goback=%2Enpp_julie*5silva%2F61%2F1b0%2F917&trk=prof-groups-membership-name

International Trade Resources

CUSTOMSINFO Database, <http://export.customsinfo.com/Default.aspx>

Protecting IP abroad, http://export.gov/regulation/eg_main_018818.asp

World Intellectual Property Organization, <http://www.wipo.int>

Department of Commerce Bureau of Industry and Security (BIS), www.bis.doc.gov

BIS Commerce Control List, <http://www.bis.doc.gov/licensing/exportingbasics.htm>

BIS Online Training Room, <http://www.bis.doc.gov/seminarsandtraining/index.htm>.

BIS Training Seminar Schedule, <http://www.bis.doc.gov/index.php/compliance-a-training/export-administration-regulations-training/current-seminar-schedule/25-compliance-a-training/export-administration-regulations-training/579-current-seminar-schedule-fy13-14>

Department of State ITAR Regulations, http://www.pmdtdc.state.gov/regulations_laws/itar.html

Google Global Market Finder, <http://translate.google.com/globalmarketfinder/g/index.html?locale=en>

U.S. Commercial Service Market Research Library,

http://www.buyusainfo.net/adsearch.cfm?search_type=int&loadnav=no

ATA Carnet, <http://www.merchandisepassport.org/>

Temporary Import Program, http://export.gov/logistics/eg_main_018129.asp

U.S. Customs and Border Protection Duty Drawback and Deferral Program,

<http://www.cbp.gov/trade/nafta/guide-customs-procedures/effect-nafta/en-drawback-duty>

Export USA, <http://thinkglobal.us>

U.S. Commercial Service Trade Leads Database, http://export.gov/eac/trade_leads.asp

Export Yellow Pages, <http://www.exportyellowpages.com/Registration>

Florida Export Directory, <http://www.floridaexportdirectory.com/Registration/>

U.S. Commercial Service Trade Show Database, http://export.gov/eac/eg_main_017402.asp

Frost & Sullivan, www.frost.com
IHS, <http://www.ihs.com/products/index.aspx>
Export Legal Assistance Network, <http://www.exportlegal.org>
FSBDC at UNF, <http://www.sbdc.unf.edu/>
U.S. Commercial Service, www.export.gov
Enterprise Florida, www.eflorida.com
Dun and Bradstreet, <http://www.dnb.com/>
Kompass, <http://us.kompass.com/>
globalEDGE of Michigan State University, <http://globaledge.msu.edu/>
U.S. Census Bureau Go Global Webinar Series,
http://www.census.gov/mso/www/training/foreign_trade.html
WISERTrade-World Institute for Strategic Economic Research,
<http://www.wisertrade.org/home/portal/index.jsp>
WTO Tariff Analysis Online Tool, <https://tariffanalysis.wto.org>
Mexican Customs Duty Online,
http://www.economia.gob.mx/files/comunidad_negocios/apec/MFNAppliedTariffRates2010.pdf
Brazil Tax Rate Index, <http://thebrazilbusiness.com/tax-index>
EU Applicable VAT Rates,
http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf
EXIM Bank Country Limitation Schedule, <http://www.exim.gov/tools/countrylimitationschedule/>
Exchange Rate Database, <http://www.federalreserve.gov/releases/g5a/current/>

Short List of Compliance Resources

Mr. James Anzalone, President of Compliance Assurance LLC (Based in Royal Palm Beach, FL)
e-mail: Jim@WeAreCompliant.com
Phone: 561-641-5036
Website: <http://www.wearecompliant.com>

Mr. Tom Reynolds, VP, Export Solutions (Clermont, FL)
e-mail: tomr@exportsolutionsinc.com
Phone: 407-257-4978
Website: <http://exportsolutionsinc.com/>

Mr. Mike Allocca, President of Allocca Enterprises, Inc. (Based in York, SC)
e-mail: mallocca@alloccaenterprises.com
Phone: 803-684-8012
Website: <http://www.alloccaenterprises.com/history.php>

Amber Road (formerly Management Dynamics), a Global Trade Management Company
Phone: 1-800-852-6562
Website: <http://www.amberroad.com>

Country Commercial Guide Links

Australia: http://export.gov/australia/static/2014%20CCG_Latest_countrycommercialguide079592.pdf
Austria: http://export.gov/austria/static/2013%20CCG_CS%20Vienna_Latest_eg_at_064102.pdf
Brazil:
http://export.gov/brazil/build/groups/public/@eg_br/documents/webcontent/eg_br_034878.pdf
Canada: <http://export.gov/canada/doingbusinessincanada/index.asp>
Chile: http://export.gov/chile/static/CCG%20Chile%202012_Latest_eg_cl_050006.pdf

- Colombia:** (Limited online version) <http://export.gov/colombia/doingbusinessincolombia/index.asp>
- Czech Republic:** (Limited online version)
http://export.gov/czechrepublic/doingbusinessinczechrepublic/eg_cz_024325.asp
- Dominican Republic:** http://www.buyusainfo.net/docs/x_3841560.pdf
- El Salvador:**
http://export.gov/elsalvador/build/groups/public/@eg_es/documents/webcontent/eg_es_076591.pdf
- Greece:** http://export.gov/greece/static/CCG%202014%20Final_Latest_eg_gr_076602.pdf
- Hong Kong:** http://www.buyusainfo.net/docs/x_7192291.pdf
- Ireland:**
http://export.gov/ireland/build/groups/public/@eg_ie/documents/webcontent/eg_ie_079023.pdf
- Israel:** http://export.gov/israel/build/groups/public/@eg_il/documents/webcontent/eg_il_076544.pdf
- Korea:** (Limited online version) <http://export.gov/southkorea/doingbusinessinskorea/index.asp>
- Mexico:** http://export.gov/mexico/static/CCGFINAL2014_Latest_eg_mx_076936.pdf
- The Netherlands:** http://www.buyusainfo.net/docs/x_5869807.pdf
- Norway:** http://www.buyusainfo.net/docs/x_6471910.pdf
- Panama:** (Limited online version)
<http://export.gov/panama/doingbusinessinpanama/traderegulationsstandards/index.asp>
- Peru:** http://buyusainfo.net/docs/x_8357532.pdf
- Philippines:** http://www.buyusainfo.net/docs/x_3877362.pdf
- Poland:**
http://export.gov/poland/build/groups/public/@eg_pl/documents/webcontent/eg_pl_077597.pdf
- Saudi Arabia:** http://www.buyusainfo.net/docs/x_2602369.pdf
- Singapore:** (Limited online version)<http://export.gov/singapore/doingbusinessinsingapore/index.asp>
- South Africa:** http://www.buyusainfo.net/docs/x_2736962.pdf
- Switzerland:**
http://export.gov/switzerland/static/2014%2007%2008%20CCG_2014%20final%20Switzerland_Latest_eg_ch_077282.pdf
- Turkey:** http://www.buyusainfo.net/docs/x_1439337.pdf
- Vietnam:** http://www.buyusainfo.net/docs/x_826354.pdf

EXIM Country Limitation Schedule Countries with Notes

| Country | Note(s) |
|--------------------|---------|
| Costa Rica | 6b |
| Dominican Republic | 3, 6a |
| Peru | 1 |
| Philippines | 1,4 |
| Vietnam | 1,4,5 |

Notes

1. Discretionary Credit Limits under Short Term Insurance Policies are withdrawn. Cover not available unless specified in a Special Buyer Credit Limit endorsement, an Issuing Bank Credit Limit endorsement, or a Country Limit of Liability endorsement.
3. Prior to accepting an application for a preliminary or final commitment for a public sector transaction, or for any insurance or WCGP coverage for a public sector transaction, Ex-Im Bank will require an indication of host government support for the application. Contact Ex-Im Bank for more detailed information on specific markets.
4. Ex-Im Bank cover/support for private sector transactions is typically limited to transactions with a commercial bank as obligor or guarantor. Coverage under the WCGP for private sector transactions

requires that the transaction be supported by an irrevocable Letter of Credit. Ex-Im Bank will consider transactions without a bank undertaking on a case-by-case basis. As conditions pursuant to which we may consider non-bank transactions vary in markets subject to this note, please contact the Credit Policy Division for further information.

5. Ex-Im Bank cover/support for public sector transactions is typically limited to transactions which commit the full faith and credit of the government.

6. Under Short-Term Insurance Policies, coverage under Discretionary Credit Limits and a Country Limits of Liability shall be the lesser of the limits authorized in the policy or:

a. \$50,000

b. \$100,000

Higher limits will be considered upon application for a Special Buyer Credit Limit endorsement, an Issuing Bank Credit Limit endorsement, or Country Limits of Liability endorsement.

Supplemental information on HS Codes 9018.19, 9018.50, and 9018.90 from the “Notes” section of the online Harmonized Tariff Schedule of the United States, <http://hts.usitc.gov/>

SECTION XVIII, CHAPTER 90

OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; CLOCKS AND WATCHES; MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES THEREOF

Notes

1. This chapter does not cover:

(a) Articles of a kind used in machines, appliances or for other technical uses, of vulcanized rubber other than hard rubber (heading 4016), of leather or of composition leather (heading 4205) or of textile material (heading 5911);

(b) Supporting belts or other support articles of textile material, whose intended effect on the organ to be supported or held derives solely from their elasticity (for example, maternity belts, thoracic support bandages, abdominal support bandages, supports for joints or muscles) (section XI);

(c) Refractory goods of heading 6903; ceramic wares for laboratory, chemical or other technical uses, of heading 6909;

(d) Glass mirrors, not optically worked, of heading 7009, or mirrors of base metal or of precious metal, not being optical elements (heading 8306 or chapter 71);

(e) Goods of heading 7007, 7008, 7011, 7014, 7015 or 7017;

(f) Parts of general use, as defined in note 2 to section XV, of base metal (section XV) or similar goods of plastics (chapter 39);

(g) Pumps incorporating measuring devices, of heading 8413; weight-operated counting or checking machinery, or separately entered weights for balances (heading 8423); lifting or handling machinery (headings 8425 to 8428); paper or paperboard cutting machines of all kinds (heading 8441); fittings for adjusting work or tools on machine tools, of heading 8466, including

fittings with optical devices for reading the scale (for example, "optical" dividing heads) but not those which are in themselves essentially optical instruments (for example, alignment telescopes); calculating machines (heading 8470); valves or other appliances of heading 8481, machines and apparatus (including apparatus for the projection or drawing of circuit patterns on sensitized semiconductor materials) of heading 8486;

(h) Searchlights or spotlights of a kind used for cycles or motor vehicles (heading 8512); portable electric lamps of heading 8513; cinematographic sound recording, reproducing or re-recording apparatus (heading 8519); sound-heads (heading 8522); television cameras, digital cameras and video camera recorders (heading 8525); radar apparatus, radio navigational aid apparatus and radio remote control apparatus (heading 8526); connectors for optical fibers, optical fiber bundles and cables (heading 8536); numerical control apparatus (heading 8537); sealed beam lamp units of heading 8539; optical fiber cables of heading 8544;

(ij) Searchlights or spotlights of heading 9405;

(k) Articles of chapter 95;

(l) Capacity measures, which are to be classified according to their constituent material; or

(m) Spools, reels or similar supports (which are to be classified according to their constituent material, for example, in heading 3923 or section XV).

2. Subject to note 1 above, parts and accessories for machines, apparatus, instruments or articles of this chapter are to be classified according to the following rules:

(a) Parts and accessories which are goods included in any of the headings of this chapter or of chapter 84, 85 or 91 (other than heading 8487, 8548 or 9033) are in all cases to be classified in their respective headings;

(b) Other parts and accessories, if suitable for use solely or principally with a particular kind of machine, instrument or apparatus, or with a number of machines, instruments or apparatus of the same heading (including a machine, instrument or apparatus of heading 9010, 9013 or 9031) are to be classified with the machines, instruments or apparatus of that kind;

c) All other parts and accessories are to be classified in heading 9033.

3. The provisions of notes 3 and 4 to section XVI apply also to this chapter

4. Heading 9005 does not apply to telescopic sights for fitting to arms, periscopic telescopes for fitting to submarines or tanks, or to telescopes for machines, appliances, instruments or apparatus of this chapter or section XVI; such telescopic sights and telescopes are to be classified in heading 9013.

5. Measuring or checking optical instruments, appliances or machines which, but for this note, could be classified both in heading 9013 and in heading 9031 are to be classified in heading 9031.

XVIII, 90-3

Notes (con.)

6. For the purposes of heading 9021, the expression "orthopedic appliances" means appliances for:

(a) Preventing or correcting bodily deformities; or

(b) Supporting or holding parts of the body following an illness, operation or injury.

Orthopedic appliances include footwear and special insoles designed to correct orthopedic conditions, provided that they are either (1) made to measure or (2) mass-produced, entered singly and not in pairs and designed to fit either foot equally.

7. Heading 9032 applies only to:

(a) Instruments and apparatus for automatically controlling the flow, level, pressure or other variables of liquids or gases, or for automatically controlling temperature, whether or not their operation depends on an electrical phenomenon which varies according to the factor to be automatically controlled, which are designed to bring this factor to, and maintain it at, a desired value, stabilized against disturbances, by constantly or periodically measuring its actual value; and

(b) Automatic regulators of electrical quantities, and instruments or apparatus for automatically controlling non-electrical quantities the operation of which depends on an electrical phenomenon varying according to the factor to be controlled, which are designed to bring this factor to, and maintain it at, a desired value, stabilized against disturbances, by constantly or periodically measuring its actual value.

Additional U.S. Notes

1. For the purposes of headings 9001 and 9002, the term "optically worked" refers to glass the surface of which has been ground or polished in order to produce the required optical properties.
2. For the purposes of this chapter, the term "electrical" when used in reference to instruments, appliances, apparatus and machines, refers to those articles the operation of which depends on an electrical phenomenon which varies according to the factor to be ascertained.
3. For the purposes of this chapter, the terms "optical appliances" and "optical instruments" refer only to those appliances and instruments which incorporate one or more optical elements, but do not include any appliances or instruments in which the incorporated optical element or elements are solely for viewing a scale or for some other subsidiary purpose.
4. For the purposes of this chapter, the term "printed circuit assembly" means goods consisting of one or more printed circuits of heading 8534 with one or more active elements assembled thereon, with or without passive elements. For the purposes of this note, "active elements" means diodes, transistors and similar semiconductor devices, whether or not photosensitive, of heading 8541, and integrated circuits of heading 8542.

IMM Ranges

| National GDP (PPP) | | |
|--------------------|--------|--------|
| Min | Max | Result |
| 40,000 | 50,000 | 10 |
| 50,000 | 55,000 | 9 |
| 55,000 | 72,724 | 8 |
| 30,000 | 40,000 | 7 |
| 20,000 | 30,000 | 6 |
| 15,000 | 20,000 | 5 |
| 14,000 | 15,000 | 4 |
| 12,000 | 14,000 | 3 |
| 10,000 | 12,000 | 2 |
| 0 | 10,000 | 1 |

| Urban Population Percentage | | |
|-----------------------------|-----|--------|
| Min | Max | Result |
| 100 | 100 | 10 |
| 90 | 100 | 9 |
| 85 | 90 | 8 |
| 80 | 85 | 7 |
| 75 | 80 | 6 |
| 70 | 75 | 5 |
| 65 | 70 | 4 |
| 60 | 65 | 3 |
| 55 | 60 | 2 |
| 0 | 55 | 1 |

| Ease of Doing Business Index | | |
|------------------------------|-----|--------|
| Min | Max | Result |
| 0.01 | 1 | 10 |
| 1 | 10 | 9 |
| 10 | 20 | 8 |
| 20 | 30 | 7 |
| 30 | 50 | 6 |
| 50 | 60 | 5 |
| 60 | 70 | 4 |
| 70 | 80 | 3 |
| 80 | 90 | 2 |
| 90 | 120 | 1 |

| Country Credit Rating | | |
|-----------------------|-----|--------|
| Min | Max | Result |
| A1 | A1 | 10 |
| A2 | A2 | 9 |
| A3 | A3 | 8 |
| A4 | A4 | 7 |
| N/A | N/A | 6 |
| B | B | 5 |
| N/A | N/A | 4 |
| N/A | N/A | 3 |
| C | C | 2 |
| D | D | 1 |

| Diagnostic Apparatus Nesoi, And Pa 901819 | | |
|--|-------------|--------|
| Global Import Value | | |
| Min | Max | Result |
| 300,000,000 | 380,312,401 | 10 |
| 180,000,000 | 300,000,000 | 9 |
| 145,000,000 | 180,000,000 | 8 |
| 120,000,000 | 145,000,000 | 7 |
| 60,000,000 | 120,000,000 | 6 |
| 50,000,000 | 60,000,000 | 5 |
| 35,000,000 | 50,000,000 | 4 |
| 20,000,000 | 35,000,000 | 3 |
| 10,000,000 | 20,000,000 | 2 |
| 0 | 10,000,000 | 1 |

| Diagnostic Apparatus Nesoi, 901819 | | |
|---------------------------------------|-----|--------|
| % U.S. Origin | | |
| Min | Max | Result |
| 55% | 64% | 10 |
| 50% | 55% | 9 |
| 45% | 50% | 8 |
| 40% | 45% | 7 |
| 36% | 40% | 6 |
| 33% | 36% | 5 |
| 30% | 33% | 4 |
| 26% | 30% | 3 |
| 20% | 26% | 2 |
| 0% | 20% | 1 |

| ostic Apparatus Nesoi, 901819 | | | ostic Apparatus Nesoi, 901819 | | | phthalmic Instruments & Appliances 901850 | | |
|----------------------------------|-----|--------|----------------------------------|------|--------|--|-------------|--------|
| %CAGR U.S.-Origin Imports | | | FTA/Tariff | | | Global Import Value | | |
| Min | Max | Result | Min | Max | Result | Min | Max | Result |
| 25% | 30% | 10 | 0.00 | 0.00 | 10 | 200,000,000 | 280,550,627 | 10 |
| 20% | 25% | 9 | 0.01 | 0.00 | 9 | 190,000,000 | 200,000,000 | 9 |
| 15% | 20% | 8 | 0.02 | 0.01 | 8 | 150,000,000 | 190,000,000 | 8 |
| 10% | 15% | 7 | 0.03 | 0.02 | 7 | 110,000,000 | 150,000,000 | 7 |
| 6% | 10% | 6 | 0.04 | 0.03 | 6 | 50,000,000 | 110,000,000 | 6 |
| 5% | 6% | 5 | 0.05 | 0.04 | 5 | 35,000,000 | 50,000,000 | 5 |
| 3% | 5% | 4 | 0.06 | 0.05 | 4 | 20,000,000 | 35,000,000 | 4 |
| 1% | 3% | 3 | 0.07 | 0.06 | 3 | 15,000,000 | 20,000,000 | 3 |
| 0% | 1% | 2 | 0.08 | 0.07 | 2 | 5,000,000 | 15,000,000 | 2 |
| -33% | 0% | 1 | 0.10 | 0.08 | 1 | 0 | 5,000,000 | 1 |

| mic Instruments & App 901850 | | |
|---------------------------------|-----|--------|
| % U.S. Origin | | |
| Min | Max | Result |
| 60% | 66% | 10 |
| 55% | 60% | 9 |
| 50% | 55% | 8 |
| 46% | 50% | 7 |
| 40% | 46% | 6 |
| 35% | 40% | 5 |
| 30% | 35% | 4 |
| 25% | 30% | 3 |
| 20% | 25% | 2 |
| 0% | 20% | 1 |

| mic Instruments & App 901850 | | |
|---------------------------------|-----|--------|
| %CAGR U.S.-Origin Imports | | |
| Min | Max | Result |
| 30% | 33% | 10 |
| 20% | 30% | 9 |
| 13% | 20% | 8 |
| 10% | 13% | 7 |
| 5% | 10% | 6 |
| 4% | 5% | 5 |
| 3% | 4% | 4 |
| 2% | 3% | 3 |
| 0% | 2% | 2 |
| -32% | 0% | 1 |

| mic Instruments & App 901850 | | |
|---------------------------------|-----|--------|
| FTA/Tariff | | |
| Min | Max | Result |
| 0% | 0% | 10 |
| 1% | 0% | 9 |
| 2% | 1% | 8 |
| 3% | 2% | 7 |
| 4% | 3% | 6 |
| 5% | 4% | 5 |
| 6% | 5% | 4 |
| 7% | 6% | 3 |
| 9% | 7% | 2 |
| 15% | 9% | 1 |

| mic Instruments & App 901850 | | |
|--|---------------|--------|
| App F Medical Surgical Dental Vet, 901890 | | |
| Global Import Value | | |
| Min | Max | Result |
| 1,500,000,000 | 1,907,720,961 | 10 |
| 1,000,000,000 | 1,500,000,000 | 9 |
| 500,000,000 | 1,000,000,000 | 8 |
| 350,000,000 | 500,000,000 | 7 |
| 200,000,000 | 350,000,000 | 6 |
| 170,000,000 | 200,000,000 | 5 |
| 150,000,000 | 170,000,000 | 4 |
| 135,000,000 | 150,000,000 | 3 |
| 60,000,000 | 135,000,000 | 2 |
| 0 | 60,000,000 | 1 |

| F Medical Surgical Dent 901890 | | | F Medical Surgical Dent 901890 | | | F Medical Surgical Dent 901890 | | |
|-----------------------------------|-----|--------|-----------------------------------|------|--------|-----------------------------------|-----|--------|
| % U.S. Origin | | | %CAGR U.S.-Origin Imports | | | FTA/Tariff | | |
| Min | Max | Result | Min | Max | Result | Min | Max | Result |
| 55% | 80% | 10 | 30% | 296% | 10 | 0% | 0% | 10 |
| 50% | 55% | 9 | 20% | 30% | 9 | 1% | 0% | 9 |
| 44% | 50% | 8 | 15% | 20% | 8 | 2% | 1% | 8 |
| 40% | 44% | 7 | 10% | 15% | 7 | 3% | 2% | 7 |
| 36% | 40% | 6 | 8% | 10% | 6 | 4% | 3% | 6 |
| 30% | 36% | 5 | 5% | 8% | 5 | 5% | 4% | 5 |
| 28% | 30% | 4 | 4% | 5% | 4 | 6% | 5% | 4 |
| 25% | 28% | 3 | 3% | 4% | 3 | 7% | 6% | 3 |
| 15% | 25% | 2 | 1% | 3% | 2 | 9% | 7% | 2 |
| 0% | 15% | 1 | -19% | 1% | 1 | 16% | 9% | 1 |

| Ambulatory Establishments (2012) | | | Population Age 65 + (% of total Population, 2012) | | | Total Expenditure on Health as a Percentage of GDP | | |
|----------------------------------|------|-----------|---|-----|-----------|--|-----|-----------|
| Min | Max | Result | Min | Max | Result | Min | Max | Result |
| 1900 | 2431 | 10 | 20 | 26 | 10 | 12 | 13 | 10 |
| 1150 | 1900 | 9 | 17 | 20 | 9 | 11 | 12 | 9 |
| 1110 | 1150 | 8 | 15 | 17 | 8 | 10 | 11 | 8 |
| 500 | 1110 | 7 | 13 | 15 | 7 | 9 | 10 | 7 |
| 300 | 500 | 6 | 10 | 13 | 6 | 8.5 | 9 | 6 |
| 150 | 300 | 5 | 8 | 10 | 5 | 7.5 | 8.5 | 5 |
| 90 | 150 | 4 | 7 | 8 | 4 | 6.5 | 7.5 | 4 |
| 80 | 90 | 3 | 6 | 7 | 3 | 6 | 6.5 | 3 |
| 70 | 80 | 2 | 3 | 6 | 2 | 4 | 6 | 2 |
| 0 | 70 | 1 | 0 | 3 | 1 | 0 | 4 | 1 |

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Why Export?

- Over 95% of the world’s customers are located beyond U.S. borders.
- Exporters realize higher employment growth than non-exporters.
- Most companies that export have an easier time riding out fluctuations in the U.S. economy and are more likely to stay in business.
- Export wages are typically 13–18% higher than non-export wages.

The Process

You will meet with a Florida SBDC International Trade Specialist to conduct a confidential, in-depth business assessment. The Specialist will prepare and provide your company with a customized Export Marketing Plan.

Qualifications

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- Products must be produced in the state of Florida or services must be provided from a Florida location
- Company’s products must be at least 51% U.S. content
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- Minimum of two years in business
- Five or more full-time employees
- \$500,000 to \$10 million in annual sales

Cost to Qualifying Company - \$500

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Upon acceptance of the Export Marketing Plan, companies may apply for a reimbursable Target Sector Trade Grant from Enterprise Florida to help cover some of the costs of exhibiting at an overseas trade show (up to \$6,000). For more information, please visit www.enterpriseflorida.com/TSTG. Companies may also apply for a reimbursable Gold Key grant from Enterprise Florida to cover the cost of one single standalone one-on-one business matchmaker (such as a Gold Key) in a market recommended in the Export Marketing Plan. Please contact your local Enterprise Florida trade representative for further information.

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