

Mississippi Development Authority – DRAFT I
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MEDIA AVAILABILITY

European Union Ambassador to the United States Ambassador Guenter Burghardt Schedule

Friday, November 16th

- 8:30 a.m. Meeting with the Mississippi Development Authority (MDA)
Jay Moon, Deputy Director
- 9:00 a.m. Economic Briefing on Mississippi
Mississippi Development Authority
- 11:30 a.m. Luncheon - Ambassador Burghardt: 10 to 15 minute speech/presentation on EU
- 2:00 p.m. Available for media interviews until 4:30 p.m. at the offices of MDA (6th floor, conference room A).**
- 4:30 p.m. Depart

To schedule an interview with the Ambassador, please contact Stephen Martin with MDA at 601.359.3449. The Ambassador is prepared to discuss EU/US economic ties, the introduction of the Euro (Europe's monetary union). The Ambassador can also speak on the EU's focus on terrorism and current world events. If interested, the Ambassador is also prepared to submit an Op-Ed piece for consideration.

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Editors please note the following information is available upon request:

- 1. Ambassador Guenter Burghardt biographical notes**
- 2. The European Market An Executive Summary from the European Union Country Commercial Guide**
- 3. Mississippi Trade Promotion in Europe**
- 4. European Union Investment in Mississippi**

AMBASSADOR GUENTER BURGHARDT



Biographical Notes

Dr. Burghardt was formerly the Director General for External Relations under Commissioner Chris Patten in the new Commission from October 1999. From 1993 to October 1999 he was Director General for External Relations covering Europe and the New Independent States, the Common Foreign and Security Policy and the External Service under Commissioner Hans van den Broek. From 1988 to 1993 he held the post of Political Director in the Secretariat General of the Commission under the direct authority of Commission President Jacques Delors. From 1985 to 1988 he was Deputy Head of Cabinet to President Delors with particular responsibility for external and development policies, relations with the European Parliament and Staff management. He was Deputy Head of Cabinet to Commissioner Karl-Heinz Narjes who was responsible for Internal Market, Environment Protection, Nuclear Safety and Innovation from 1981 through 1984. From 1972 through 1980 he was desk officer for relations with the United States, Canada, Australia, development of the Commission's external delegations network and assistant to Director General Sir Roy Denman who later became Head of Delegation in Washington. He entered the Commission as a member of the Legal Service in 1970.

Dr. Burghardt speaks German (mother tongue), French, English, Dutch, and some Italian. He is married to Rita Byl and has three children

European Marketplace



The European Market An Executive Summary from the European Union Country Commercial Guide

The United States and the European Union, with its fifteen Member States, enjoy a mature economic relationship that is characterized by massive two-way trade, in cumulative balance for over twenty years, and by an even more extensive two-way investment (\$915.4 billion in 1998) that employs over 3 million Europeans and 3 million Americans. In 1999 U.S. exports to the EU-15 were \$151.6 billion, while U.S. imports from the EU-15 amounted to \$195.4 billion.

The EU has in 2000 a population of 376 million and a GDP of \$8.5 trillion. The EU represents a market with a population that is therefore 138% that of the U.S. (population 272.8 million) and an economy 99% of its size (GDP \$8.6 trillion). The EU Member States' public sector, which includes 450,000 public contractors at national and local levels, is an important part of the total EU economy, accounting for almost \$950 billion in purchases in 1999 or 11% of GDP. Moreover, EU institutions (with an annual budget of \$88.8 billion in 2000) remain an important economic stimulus, particularly of agricultural production and regional economic development, throughout Europe.

Europe's GDP growth in 1997-1999 (2.6%, 2.8% and 2.3%, respectively) lagged that of the U.S. (3.8%, 3.9% and 4.2%). This slower growth explains in part the current U.S. trade deficit with the EU. Forecasts for 2000 indicate an improved EU growth of 3.4% and 3.1% for 2001, with inflation remaining

low (1.8% in 2000). Europe's unemployment is expected to decrease from 10.3% in 1999 to 8.5% in 2000 and an estimated 7.9% by 2001, but is likely to remain high for some time.

On January 1, 1999, the European Union adopted the euro as its new currency for the eleven member states that had satisfied the macroeconomic conditions necessary to join the European Monetary Union (EMU). Although euro banknotes and coins will not enter into circulation until 2002, the euro is already being used in electronic transactions and as a unit of account whose value has been fixed irrevocably with the participating member state currencies. The first countries to use the euro are: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. In June 2000, Greece was approved to participate in EMU starting January 1, 2001. Not yet part of the EMU are: Denmark, Sweden and the United Kingdom. Denmark is scheduled to hold a referendum on EMU participation in September 2000.

Transatlantic cooperation in 1999 yielded increased commercial benefits for U.S. business. The costs and delays involved in certifying a product as being in conformity with European technical requirements will diminish in the future because of the December 1998 U.S.-EU Mutual Recognition Agreement (MRA) on Conformity Assessment. The MRA is expected to facilitate \$55 billion in two-way trade in telecommunications products, marine recreational craft, pharmaceuticals, medical equipment and other electrical/electronic items. An EU metric-only labeling requirement for U.S. exports was postponed until 2010 by the European Commission.

Historically, U.S. exporters and investors have faced relatively low barriers to doing business in the EU. Additionally, American business may benefit from several developments in the European Union begun in 1998: deregulation in several sectors, i.e., airlines, telecommunications, natural gas and postal services; the introduction of the euro; and the start of negotiations on the eventual enlargement of the EU with 12 candidate countries (Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia). The movement towards a single market and single currency should facilitate increased trade, as did the creation of a Transatlantic Economic Partnership (TEP), and the implementation by the EU of its obligations under the Uruguay Round results and the basic telecommunications, financial services and Information Technology Agreements of the WTO.

The U.S. and the EU continue to discuss broader, deeper economic cooperation (within the framework of the TEP). Nonetheless, the U.S. has a number of ongoing disputes with the EU, a situation to be expected in such a massive commercial relationship as exists between the two transatlantic partners. The U.S. and the EU have engaged in extensive talks on the EU Data Privacy Directive, which are nearing conclusion after the EU Member States approved the compromise struck by the Commission and the U.S. Department of Commerce in May 2000. Negotiations are still ongoing on aircraft noise emissions, genetically modified organisms, bananas, biotechnology and a range of food, pharmaceutical, cosmetic and other products containing items the EU describes as Specified Risk Materials. A new potential area for disputes emerged as the EU challenged the U.S. Foreign Sales Corporations system in the WTO.

MISSISSIPPI TRADE PROMOTION IN EUROPE

Europe is indispensable to Mississippi's export promotion efforts. Seven of Mississippi's top twenty global export markets are members of the Europe Union.

In 2000, Europe (\$644,609,019) represented about one quarter of Mississippi's total global exports (\$2,725,551,160):

Mississippi Exports to EU Member Countries							
YTD Comparison: January - December							
	U.S. Dollar			% Share			% Change
Country	1998	1999	2000	1998	1999	2000	2000/1999
All Countries	2,285,802,287	2,215,734,979	2,725,551,160	100	100	100	23.01
Belgium	119,939,675	121,248,949	178,995,492	5.25	5.47	6.57	47.63
United Kingdom	254,079,128	100,407,366	115,393,013	11.12	4.53	4.23	14.92
Italy	75,589,782	78,883,439	95,373,328	3.31	3.56	3.5	20.9
Germany	82,290,843	83,570,771	72,800,576	3.6	3.77	2.67	-12.89
France	51,490,173	37,451,476	53,247,174	2.25	1.69	1.95	42.18
Netherlands	40,588,537	52,532,648	45,760,462	1.78	2.37	1.68	-12.89
Spain	27,447,952	23,504,252	38,986,209	1.2	1.06	1.43	65.87
Sweden	10,177,391	7,281,503	22,593,444	0.45	0.33	0.83	210.29
Greece	6,387,710	8,331,060	11,000,307	0.28	0.38	0.4	32.04
Denmark	5,447,885	4,828,024	3,892,620	0.24	0.22	0.14	-19.37
Ireland	27,560,236	8,366,172	2,708,537	1.21	0.38	0.1	-67.63
Finland	4,243,108	3,005,168	1,522,028	0.19	0.14	0.06	-49.35
Austria	108,389	1,022,107	1,318,245	0	0.05	0.05	28.97
Portugal	923,971	1,278,857	1,017,584	0.04	0.06	0.04	-20.43
Luxembourg	97,991	74,927	0	0	0	0	-100

The Mississippi Development Authority assesses the importance of individual country markets based not only upon the history of Mississippi exports to each market, but also upon the overall receptivity of the respective market towards American products.

Key traditional markets for overall U.S. exports have generally matched those of Mississippi. The State of Mississippi focuses its export promotion activities on the primary target markets of:

- United Kingdom Italy
- Benelux France
- Germany

Secondary markets in Europe that might be addressed on an 'as needed' basis are:

- Spain Denmark Switzerland Sweden Austria
- Ireland Finland Portugal Norway

Eastern European countries are currently not export promotion targets, but they are monitored on an 'as needed' basis for trade development potential.

European Union Investment in Mississippi:

Six in ten foreign-supported manufacturing jobs in Mississippi come from European Union investment.

European Union Headquartered Companies with Operations in Mississippi

Country	Parent Companies	Mississippi Affiliates	Employment
Denmark	1	1	125
Finland	1	1	25
France	5	7	845
Germany	7	8	1,291
Italy	2	2	15
Luxembourg	1	4	35
Netherlands	4	7	757
Sweden	5	7	762
United Kingdom	16	17	1,844
All FDI	72	103	10,908

The State of Mississippi targets the following European target countries for FDI into Mississippi:

- United Kingdom Benelux France
- Germany Sweden Switzerland

Additional countries to monitor for FDI potential include Italy, Norway, Denmark, Spain, Portugal, Finland, Austria and Ireland.

STATE OF MISSISSIPPI TRADE DEVELOPMENT STRATEGIES:

The strategies used by the State of Mississippi to promote the sale of Mississippi products and services in Europe include:

- Familiarity with Mississippi products and services
- Research of European sectors, companies and multipliers
- Creation of target databases
- Targeted mailings based upon industry sectors, geography and other factors
- Regular telephone and other follow up with individual company and multiplier contacts
- Trips to target countries, involving company and multiplier visits
- Participation in trade development events
- Organization of trade development events
- Memberships in professional organizations
- Work with business media

European Marketing Schedule FY 2002		

Month/Event	Dates	Location
July International Fancy Food Show MS visit	8th - 11th 7th - 21st	New York MS
August CASE Catalog Show	15th - 19th	Sweden
September EURO Regulations Seminar	25th	Jackson
October Trade Facilitator Calls AHEC Convention	22nd - 24th 25th - 26th	Dublin Dublin
November Manchester Trade Show European Food Export Seminar	10/30-11/1 15th	Manchester Jackson
December CASE Catalog Show	TBA	Balkans
January Wood Promotion: Species Highlight Presentation in Paris		France France
February Wood Promotion: MS Advertising		France
March Trade Facilitator Calls Alimentaria	1st 4th - 8th	Barcelona Barcelona
April Salone Internazionale del Mobile	10th - 15th	Milan
May Mini Trade Mission/Gold Keys Carrefour Du Bois	3rd - 15th 29th - 31st	Middle East Nantes