

TRADE MISSION STATEMENT

TRADE MISSION TO HONG KONG, CHINA, AND SINGAPORE MARCH 18-26, 2009

HOSPITALITY, CONTRACT, AND RELATED TECHNICAL TEXTILES

I MISSION DESCRIPTION:

The U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel (OTEXA) is organizing trade mission to China and Singapore from March 18-26, 2009. The mission will include representatives from U.S. companies interested in selling hospitality, contract, technical textiles, fabrics, and furnishings, and related products and services; and establishing export representatives for such products. US contract and hospitality companies with high quality products and unique designs can succeed in China and Singapore.

Three mission stops are planned for Hong Kong (including Macau), Hainan Island, and Singapore. See details in the Timetable Section that follows:

II. COMMERCIAL SETTING:

The World Bank estimates that by 2015, half of new-building construction around the globe will take place in China. Upcoming events such as the 2010 World's Fair and Asian Games are further sparking growth for an estimated \$10 billion tourist and business travel market. The South East Asia market also is expanding growth in hotels and casinos. For example, approximately 8850 rooms will be added to the existing 225 hotels and 37,000 hotel rooms in Singapore by 2010, representing an increase of approximately 24% over current levels. Moreover, by 2015 Singapore's total room inventory is expected to reach 74,000, or double existing inventory. This is due to a stream of projects now in the planning stages.

Macau's economy was growing at an estimated 28% annually, but may be tapered temporarily due to the global economic environment. However, this is more than double the rate during the first half of 2007. The expansion of hotels and casinos is expected to increase 300% over the next five-eight years due to the gaming market. The first phase of the Cotai Strip opened in August 2007 featuring seven major hotels comprising more than 10,000 hotel rooms, over 20,000 seats for live entertainment in eight separate theater venues, and world class meeting and convention facilities.

Hainan Island, Macau, and Hong Kong continue to develop very strong tourist and business development infrastructure projects that are expected to add significant opportunities for additional hotel rooms and other tourist facilities, and the refurbishment of existing hotel

facilities.

The high growth in business and leisure travel in Asia will likely result in increased demand for hotel accommodations in every price category. For example, in Hong Kong, there will be 161 hotels with nearly 57, 000 rooms by the end of 2008, and hotel room occupancy often exceeds 90%. According to report of the Hong Kong Tourism Board (August 2008), the number of hotels in Hong Kong will increase to 209 in 2012, an increase of 30%. During this same period, the number of rooms will increase to nearly 66,000 or 16%.

In April 2008, the local state government on Hainan Island approved a proposal to make Hainan Island an “international-standard island resort” by allowing duty-free shops to be opened in Haikou, Sanya, and two other cities. By 2013, inbound tourists are expected to exceed 1.5 million annually, and the tourism sector is expected to hit over \$1.0 billion in revenues, increasing to 5 million tourists and \$3.5 billion in revenues annually by 2020. This is expected to foster significant four and five star hotel properties. Marriott and the Ritz Carleton chains already have properties on Hainan Island.

III. MISSION GOALS:

The mission's goals are to introduce mission participants to potential buyers, agents, and distributors and increase their exports of hospitality products and services to Hong Kong, China, and Singapore.

IV. MISSION SCENARIO:

One-on-one appointments will take place in Singapore and Hong Kong. No individual appointments as meetings will take place on Hainan Island as all purchasing and design decisions are made in Singapore and Hong Kong. Mission participants will meet individually by appointment with buyers, agents, and distributors pre-screened by the U.S. Commercial Service. At each stop there will be a mission briefing for participants on local market conditions and selling opportunities. Hotel architects, developers, and designers, as well as distributors for hotel products and interior furnishings are located mainly in Hong Kong/Macau and Singapore, where the individual appointments will take place. However, our Consulate in Guangzhou also will be making appointments for the mission in Hong Kong with buyers and designers from Guangzhou.

V. TIMETABLE:

March 18th: Arrive in Hong Kong/Mission Briefing and Set-up

March 19-20th: Appointments in Hong Kong and site visits to Macau

March 21st- Travel to Hainan Island – the “Hawaii of China”. Tour of new hotel developments

March 22nd- Additional familiarization and hotel tours and meetings with local hotel managers and designers to discuss current and planned projects. Depart for Singapore

March 23rd: Singapore Briefings/set-up and individual appointments

March 24th-25th: Appointments in Singapore

March 26th: Return to U.S.

VI. PARTICIPATION REQUIREMENTS:

All parties interested in participating in the Textiles Trade Mission to Hong Kong, China, and Singapore must complete and submit an application package for consideration by the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 8 and maximum of 10 companies will be selected to participate in the mission from the applicant pool. The Department of Commerce reserves the right to adjust this number due to market or logistical constraints. U.S. companies already doing business with China and Singapore, as well as U.S. companies seeking to enter these markets for the first time may apply.

Fees and Expenses:

After a company has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The participation fee will be \$4750.00 for large firms and \$3500.00 for a small or medium-sized enterprise (SME).^{*} There will be a nominal additional cost of \$450.00 for a second person from the same company to cover receptions and group transportation. The cost includes meeting appointments and screening of buyers, agents, and distributors; set-up and displays in hotel ballrooms and meeting facilities; interpreters as required; receptions; market promotion; and group transportation to and from airports and group meetings/briefings. Expenses for travel, lodging, most meals, and incidentals will be the responsibility of each mission participant. Discounted group hotel rooms at four- and five-star properties will be arranged by the Embassy/U.S. Commercial Service at each mission stop.

Conditions for Participation:

- An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation. If the Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications.
- Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least 51 percent U.S. content of the value of the finished product or service.

Selection Criteria for Participation: Selection will be based on the following criteria:

^{*} An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations (see http://www.sba.gov/services/contracting_opportunities/sizestandardsttopics/index.html). Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing reflects the Commercial Service's user fee schedule that became effective May 1, 2008 (see <http://www.export.gov/newsletter/march2008/initiatives.html> for additional information).

- Suitability of the company's products or services to the target markets and sectors.
- Applicant's potential for business in Singapore, Hong Kong, and Hainan Island, including likelihood of exports resulting from the mission
- Consistency of the applicant's goals and objectives with the stated scope of the mission

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

VII. TIMEFRAME FOR RECRUITMENT AND APPLICATIONS

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register, posting on the Internet, press releases to general and trade media, direct mail and fax, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, conferences, and trade shows.

Recruitment for the mission will begin immediately and close February 9th, 2009. The mission will open on a first come first served basis. Applications received after February 9th, 2009 will be considered only if space and scheduling constraints permit.

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