What's New In Export

There is a lot to cover this month in our newsletter as we move into October. With business beginning to get back to a more normal pace and companies beginning to think about international travel, we have included some updates below.

In summary, we have included our ATR from Central/Eastern Europe in our Country Spotlight this month, provided some important country travel restrictions and have outlined important changes in the GAP grant program to include added items along with some great news in regards to new STEP awards just in time for a few events to have newly scheduled dates. Please let us know if you need anything, we look forward to assisting you.

Stay tuned for our next edition which will include details on our upcoming training events that will be scheduled in our Winter Webinar Series. Happy Fall and Happy Halloween!

Tina and Joyce

Country Spotlight!
Why Consider Central and Eastern Europe?

Pennsylvania's Authorized Trade Rep (ATR) in Central and Eastern Europe (CEE) covers 15 countries: 14 countries in CEE (a market of 190 million people) plus Russia (its population reaches 144 million). Markets covered include Belarus, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, and Ukraine.

Economies of CEE countries offer business opportunities for Pennsylvania companies across many different sectors. The region is particularly suitable for companies that already export to Western Europe and look for new export markets.

The ATR recommends targeting the Czech Republic, Poland, and Romania as the gateway markets - they are the region’s leaders with stable and strong economies.

The Czech Republic, a market of 10.6 million people strategically located in the heart of Europe, ranks first in the region by GDP per capita (PPP) and second in nominal GDP and R&D expenditure. After a temporary decline due to the coronavirus pandemic, its GDP is expected to return on a growth path already next year. The country is the second most industrialized in the EU after Ireland; its industrial production accounts for nearly 40% of its GDP. Apart from traditional sectors (automotive production is the cornerstone of its economy), the country has recorded boom in high added-value segments such as biotechnologies and life sciences, precision engineering, nano fibers, and IT and software.

Poland, roughly 2.5 times the size of Pennsylvania, boasts the largest consumer market in CEE by value – nearly 40 million people, most of which have benefited from significant wage growth over the last years. US companies can exploit opportunities in various sectors, especially with innovative products and services. The automation market is expected to grow by 15-20% over the next 3 years; the robot density is now only 42 robots per 10,000 workers, one third of that in the neighboring Czech Republic. Poland and NATO have been investing heavily into joint projects - Poland is set to host a new Aegis Ashore base by 2022 and also plans on increasing defense spending to 2.5% of their GDP by 2030 – as one the biggest military spenders in the EU.
Romania with its population of 19.2 million is the 7th largest country in the EU. Although one of the least developed EU countries, it is an upper-middle income economy by global standards and has been experiencing rapid growth and development. Technology is considered a primary growth driver for Romania; ICT contributes over 6% to Romania's GDP and the digital sector is growing massively. The automotive industry has experienced rapid expansion after several of the world’s leading car manufacturers opened new production facilities in the country. Romania has been allocated EUR 4 billion by the EU to upgrade its healthcare facilities. The private medical sector has tripled since 2007. There are also opportunities in the defense sector – the US and Romania have cooperated to establish the Aegis Ashore base here and Romania plans to rebuild another base near the Black sea coast. Significant investments are needed in agriculture, infrastructure, and manufacturing to increase effectiveness. Most agriculture technologies have to be imported.

For most of our clients, the typical route to market is via a local distributor - due to a number of factors such as time difference, geographic distance and different languages spoken in each of the markets. Direct sales are an option as well; this strategy is generally suitable for PA companies selling to a small number of large accounts who do not require local after-sales support.

**It is a good time to consider CEE…**

There is no doubt that Central and Eastern Europe, the faster growing part of Europe, will soon be back on a growth path, and Pennsylvania companies should not miss their opportunity to benefit. Besides all fundamentals previously driving the region’s economic success, it is expected to also benefit from partial reshoring of production from Asia back into Europe. The strength of the CEE economies has been based on their high competitiveness, openness to international trade and proximity to West European markets, and these factors will continue to generate growth and sustain their buying power.

We encourage PA companies to continue exploring countries in Central and Eastern Europe as potential export markets, and prepare grounds for when the markets re-open for travel and face-to-face meetings. Prior to that, Pennsylvanian managers can meet potential business partners via online conference calls. See updated travel restrictions noted below.

Source: EasyLink Business Services

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**How is International Travel Affected?**

**Looking to travel to international markets, here's an update on some key countries**

**Australia/New Zealand** - In regards to international travel, currently Australia’s borders are closed, and only Australian residents, citizens and immediate family members can enter Australia. New Zealand has similar border closures in place. There is also a ban on all outgoing international travel, unless an exemption is granted. There does not seem to be any indication on when international borders will open, however we do not anticipate any significant change until at least 2021. Companies are encouraged to review the relevant Australian and New Zealand health and travel advisory webpages for updates.

The timelines in which Australia and New Zealand may open up will largely depend on what is happening in other parts of the world, and the potential development of a vaccine. In the short term, it is likely that Australia and New Zealand will form an international ‘travel bubble’, allowing international travel between New Zealand and limited areas in Australia.

To paint a picture of the current situation in Australia, there are currently strict travel bans on most forms of interstate domestic travel, with border closures in place between most states and territories, despite the very low case numbers. In most Australian states and territories we are seeing very few (if any) new daily COVID19 cases being reported, and we are hopeful that interstate borders will open for domestic travel by the end of the year.

In light of the current international travel restrictions, we are pleased to advise that the business environment in Australia and New Zealand is slowly returning to normal, with companies continuing to express interest in connecting with US exporters. We have seen a positive update in virtual meeting systems, and we anticipate this trend continuing through 2021, until international travel resumes and beyond.

**India** - In order to contain the spread of COVID-19 pandemic, Government of India has taken a series of steps to curtail the inward/ outward movement of international passengers (both foreigners and Indians) in a calibrated manner. For bringing back Indian Nationals stranded abroad, Government of India has launched Vande Bharat mission. In addition, Ministry of Civil Aviation (MOCA) has entered into the 'Air Transport Bubbles' arrangements with few countries to allow limited commercial passenger services on reciprocal basis, when regular international flights are suspended as a result of the COVID-19 pandemic. Currently, India has air bubble arrangements with 13 countries. These are the US, the UK, Germany, France, the UAE, Maldives, Canada, Japan, Bahrain, Afghanistan, Nigeria, Qatar and Iraq. Even as India continues to add to its air bubble arrangements, a number of jurisdictions have begun restricting travel from India because of the high COVID-19 case load in the country. However, the broader direction in which the government is moving as far as air travel is concerned is lifting restrictions that were imposed at the time of...
For details to enter the EU states, you can learn more conducted prior to or following entry. It must be submitted to the health office upon request. example. The test result must be retained for at least 14 days after entry – regardless of whether the test was conducted no more than 48 hours prior to entry. The test must have been carried out in a European Union member state or a state with comparable quality standards. Alternatively, the test may be carried out upon entry at the place where you are staying.

The **test is free for travelers from risk areas**, up to 72 hours after entry and can be conducted at airports, for example. The test result must be retained for at least 14 days after entry – regardless of whether the test was conducted prior to or following entry. It must be submitted to the health office upon request.

For details to enter the EU states, you can learn more.

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**Czech Republic** - Beginning October 5, 2020 an emergency measure restricting free movement will be in place. Indoor events are restricted to 10 participants with outdoor events being restricted to 20. Masks are required on **ALL** form of public transport, in all indoor premises (except place of residence) ie. schools and health facilities, shops and shopping centers, government buildings, etc., and at all outdoor events if the number of participants exceeds 100 people in Prague, Central Bohemia and Zlin regions. Most commercial establishments are open for business, subject to hygiene and social distancing requirements, though all bars and clubs in the Czech Republic will now be required to close from 10pm until 6am. Also, all universities and high schools in Prague will move to distance learning. Currently, American citizens cannot travel to the Czech Republic for tourism or business purposes unless they are immediate family members of Czech citizens or EU citizens residing in the Czech Republic. The Czech Ministry of the Interior is the Czech agency that administers admission of foreign citizens into the Czech Republic. [Czech Restrictions](#)

**Poland** - Due to recent rise in Covid cases, Poland has recently placed stricter travel restrictions on travel to and from Poland. While Poland has restored full border traffic within the internal borders of the EU, which allows travel freely within the EU region, restrictions and limitations concerning entry of foreigners into Poland and quarantine still apply at the external border. Beginning on September 16, civil aircraft performing international flights from airports located in specific territories/countries are banned from landing. The ban includes the United States. A complete list along with the complete travel can be found [Poland Restrictions](#)

**Germany** - US citizens may enter Germany only if they serve in an important role or if there is an urgent need for their travel. For persons in compliance with passport and visa regulations, an urgent need to enter Germany.

Travelers entering the Federal Republic of Germany, who have spent time in a risk area at any specific period within 14 days prior to entry, are subject to a mandatory Covid-19 test and may be subject to quarantine under the specific quarantine ordinances issued by the competent federal state. Since July 3**nd**, the entire USA has been classified as a risk area: previously only individual regions were classified as risk areas.

If you can prove that you are not infected with COVID-19, no quarantine is necessary in most Länder. However, some Länder require you to take another test after a few days. This proof must take the form of a medical certificate. The molecular test to detect an infection must have been conducted no more than 48 hours prior to entry. The test must have been carried out in a European Union member state or a state with comparable quality standards.

Alternatively, the test may be carried out upon entry:
- at the border crossing point or
- at the place where you are staying.

The test is free for travelers from risk areas, up to 72 hours after entry and can be conducted at airports, for example. The test result must be retained for at least 14 days after entry – regardless of whether the test was conducted prior to or following entry. It must be submitted to the health office upon request.

For details to enter the EU states, you can learn more [Click Here EU Updates Tool](#)

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**Global Access Program Funding Available & Update of New Eligible Expenses to Include Certifications**

Just a reminder that STEP 8 GAP Funding is still available for 2020. We know that currently many trade shows and company travel has been cancelled, but if you have a pending GAP, please contact us so we can adjust the dates on your current application. Shows and business travel that have been cancelled, please let us know and we will cancel your current GAP application. Funds can be made available for future events.
The GAP can assist in covering up to $5,000.00 of eligible expenses to help with costs associated with your international business travel, trade missions, trade shows, USDOC subscription services, FAS, USTDA reverse trade missions, workshops or conferences, website internationalization, E-Commerce or digital marketing for international business. For full details Global Access Program. GAP grants are available while funds last. For companies who have not utilized the STEP 8 funding, STEP 8 funds must be used for a completed activity by September 29, 2021.

UPDATE: The SBA has made a change to eligible expenses for the GAP funding. *Certifications are now eligible for the grant such as ISO, CE, CEE, GDPR, UL Canada, ATEX Testing/Certification, Japan Haz/LOC Certification, IeCex Testing/Certification. If the certification you are looking to implement is not listed, please contact us and we will get a ruling on eligibility from the SBA. The certifications are eligible for the full $5,000.00 in funding.

Pennsylvania Awarded STEP 9 Funding for FY 20-21

In addition to the STEP 8 funds which are still available, we are pleased to announce that the State of Pennsylvania has been awarded STEP funding for the 20-21 FY. STEP 9 funds will be available for companies as outlined above and in the Global Access Program. GAP grants are available while funds last. Activities for STEP 9 must be completed by the September 29, 2021 deadline. For more information, please contact Tina or Joyce.

Upcoming Trade Events

- Arab Health - Rescheduled - June 21-24, 2021 - Location: UAE
- MINExpo 2020 - Rescheduled - September 13-15, 2021 - Location: Las Vegas
- Dubai Wood Show - Rescheduled - March 8-10, 2021 - Location: UAE

Upcoming Seminars/Webinars

- The Industrial Supply Chain, State of Our State: What Pennsylvania Manufacturers Need to Know | October 28, 2020 | 11:00 am - 12:30 pm | To Register

The Industrial Supply Chain, State of Our State: What Pennsylvania Manufacturers Need to Know
	Tuesday, October 28, 2020 11:00 AM – 12:30 PM

This webinar will address the trends influencing Pennsylvania’s Industrial Supply Chain and highlight several no-cost, supplier scouting options available to every manufacturer in the state.

Presented by Mr. Chris Scafario, Vice President, Consulting Operations Delaware Valley Industrial Resource Center (DVIRC), PA MEP Affiliate

Log on and learn more about the valuable resources available to help Pennsylvania manufacturers effectively build and manage a resilient supply chain. Key takeaways will include:

- A near term review of the trends impacting Pennsylvania’s Industrial Supply
- State & Federal options that are available to support Pennsylvania manufacturers
- How & when to engage in a supplier scouting effort for your business.

To Register

Hosted in partnership with the Delaware Valley Industrial Resources Center (DVIRC), the Pennsylvania Dept of Community & Economic Development, US Commercial Service Philadelphia & US Commercial Service Pittsburgh

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