

Council Highlights

April/May 2004

NATIONAL FOREIGN TRADE COUNCIL



A Word from the President

It seems as though every time we sit down to catch our collective breaths, something new pops up that forces us all out of our chairs and back on to the floor for action. I've been saying for years that one of the things that makes trade policy fascinating is that so many of its problems are never solved - they come back again and again to haunt us.

The latest appearance of a familiar issue is the AFL-CIO Section 301 petition concerning Chinese labor practices. This is not the first time labor practices have been raised as an unfair trade practice under our trade remedy laws, and it won't be the last. On another occasion I'll devote some space to the relationship between trade and labor issues generally. With respect to this pending case, there is no room here to go into detail, but suffice it to say that the petition attacks - correctly in my view - Chinese labor practices but recommends, among other things, offsetting tariffs as a remedy. At this writing the Administration has not indicated whether it will accept the petition - it has until April 30 to decide - but it is safe to say that in a political year it will probably do so, which will conveniently put off a final decision on what, if any, action to take, for another twelve months.

Although this petition arguably does not make allegations that would pass muster as WTO violations, it does appear to fit squarely within the parameters of section 301, a statute that predates the WTO and its dispute settlement mechanism. As a

Continued on Page 8

Chairman's Note

In past notes, I have discussed the offshore outsourcing issue, which has become a major part of the current debate over America's economic health. It's hard to pick up a newspaper or listen to the evening news on television without another story about the movement of jobs offshore, whether it matters, and what to do about it.

The NFTC began looking at this issue in depth early in 2003 and has spent a good bit of time since then developing its position. Our Board adopted a statement on the subject at its February meeting, can be found on our website at www.nftc.org.

In brief, our view is that the movement of jobs around the world, including into and out of the United States, is one of the inevitable consequences of having a truly global economy. Thanks to modern means of transportation and communication, we live in a world where labor, capital, and technology are highly mobile. Efforts to prevent those elements of production from moving are, for the most part, doomed to failure - we simply can't turn the clock back on today's reality.

Continued on Page 5

TOP COUNCIL NEWS

NFTC Hails Conclusion of U.S.-Morocco FTA

"On March 2, 2004 the U.S. and Morocco concluded negotiations on the U.S.-Morocco Free Trade Agreement. The agreement includes the best market access package of any U.S. FTA with a developing country..."

(Page 3)

NFTC Tax Committee Undertakes Tax Treaty Project

"The unprecedented growth in the U.S. tax treaty network makes the contribution of the NFTC and its member companies more important than ever, prompting our undertaking of a tax treaty project that will reflect the views of NFTC members and will address many of the pressing issues in this area..."

(Page 7)

Senator Lugar Addresses USA*Engage Annual Meeting on Sanctions Reform Legislation

"On February 13, Senator Lugar addressed the Annual Meeting of the USA*Engage coalition. His subject was the Sanctions Reform Act which he re-introduced in late 2003..."

(Page 9)

This Issue

Int'l Trade & Finance	2
Tax Policy	6
Human Resources	8
USA*Engage	9
U.S.-South Africa Business Council	9
Calendar of Events	10



International Trade and Finance



Bahrain FTA Negotiations Moving Quickly

U.S. and Bahraini trade officials met in Washington during the first week of March for the second round of negotiations of the U.S.-Bahrain FTA, concluding roughly two-thirds of its chapters. Negotiators will work through April on outstanding issues, with the next meeting of principals scheduled for Washington in May.

Meanwhile, the U.S.-Bahrain FTA Coalition has been mobilizing Congressional support for the FTA by hosting His Highness, Shaikh Salman bin Hamad Al Khalifa, Crown Prince of the Kingdom of Bahrain for a lunch with members of the business community and Congress on Capitol Hill. The Crown Prince spoke of Bahrain's economic and political reform process in the context of its strong and longstanding ties with the U.S.

A month later, in early March, Bahrain was again the focus on the Hill at a press briefing with Ambassador Robert Zoellick, U.S. Trade Representative, Abdulla Hassan Saif, Bahrain's Minister of Finance and National Economy, and the leadership of the new U.S.-Bahrain Congressional Caucus (co-chairs Paul Ryan, R-WI, and Jim Turner, D-TX).

The NFTC, along with the Business Council for International Understanding and the National U.S.-Arab Chamber of Commerce, serve as the secretariat for the U.S. - Bahrain FTA Coalition, which is co-chaired by Lionel Johnson of Citigroup and William Rice of Alcoa. For information on joining the coalition, e-mail Chuck Dittrich at cdittrich@nftc.org.



(Left to Right) Sheikh Khalifa Ali Alkhalifa, Bahrain Ambassador to the U.S., Mary Irace, NFTC, Anne Alonzo, NFTC, H.H. Shaikh Salman bin Hamad Al Khalifa, Crown Prince of the Kingdom of Bahrain, and Chuck Dittrich, NFTC at the US-Bahrain FTA Coalition Luncheon on Capitol Hill



U.S.-Bahrain FTA Coalition Co-Chair William Rice of Alcoa addresses the press briefing for the launch of the U.S. Congressional Bahrain Caucus, as U.S. Trade Representative Robert Zoellick looks on



International Trade and Finance



NFTC Board Member Profile: Paul Simpson, JPMorgan Chase

Third in a series of NFTC Board Member Profiles

Managing multiple businesses for an international banking powerhouse, NFTC board member Paul Simpson draws on years of intensive study and valuable time abroad to bring international perspective into American business.

With an undergraduate degree concentrated in Russian, Chinese and business from Georgetown University, along with an MBA from New York University in Finance/Economics/International Business, Simpson chose early in life to immerse himself in the study of foreign cultures and business practices. To see those international cultures up close, Simpson also pursued postgraduate studies at the Pushkin Institute in Russia. Simpson credits these diverse experiences, along with his love of languages, with preparing him for the dynamic changes and issues in global business.

Now Senior Vice President for Trade, Procurement and Card Services Executive at JPMorgan Chase, Paul is responsible on a global basis for several Treasury Services Business Lines: Trade Services, Wholesale Card Services, EZPay/eFunds, and Procurement and Logistics Management. J.P. Morgan Chase & Co. is a leading global financial services firm with operations in more than 50 countries.

Before coming to JPMorgan Chase, Paul was Managing Director and Head of e-Cash Solutions and Global Bank Export Services for Deutsche Bank. He joined Heritage Bankers Trust in 1997 as the Global Head of Trade Services. Prior to joining Bankers Trust, Paul was with Australia and New Zealand Banking Group (ANZ) as a Senior Manager in the Investment Bank holding positions in Sydney Australia (3 years) and New York (5 years).

Simpson serves on the NFTC board with international experience to guide him and with the belief that the organization provides invaluable insight and services to its members.

"Anything that impedes free trade is detrimental to fair competition and to a efficient global business," Simpson says. "The NFTC absolutely has become the key organization for its members on questions of free and open trade. This organization must continue to be the forum to push forward the concepts of the global marketplace and free trade."

NFTC Hails Conclusion of U.S.-Morocco FTA

On March 2, 2004 the U.S. and Morocco concluded negotiations on the US-Morocco Free Trade Agreement. The agreement includes the best market access package of any U.S. FTA with a developing country -- granting more than 95% of bilateral trade in consumer and industrial products duty-free access immediately in Morocco. It will provide major new opportunities in Morocco's agricultural markets for U.S. products. It will accord substantial market access across the entire services regime (including important commitments in America's leading services export sectors such as audio-visual, computer related, construction and engineering, express delivery, financial services, energy services, insurance, and telecommunications). Finally, it will afford sterling protections for U.S. intellectual property rights owners.

Ratification will give American companies a competitive advantage over European and other exporters in the \$11 billion market for Moroccan imports into the European Union. In addition, it will institute critical protections for American investment in Morocco and bring about strong disciplines on Moroccan government procurement and customs procedures that will create important new opportunities for American business.

After the mandated 90-day period of congressional notification, the President is expected to sign the agreement in early June. The NFTC has already begun an active lobbying campaign to support congressional approval of the FTA this year.

The NFTC, along with the Business Council for International Understanding, serve as the secretariat for the U.S.-Morocco FTA Coalition, a broad based group of more than 80 companies and associations. To add your company's name to the coalition, please contact Chuck Dittrich at cdittrich@nftc.org.



International Trade and Finance



NFTC Organizing Next Delegation Visit to Geneva to Lobby WTO Official and Other Activities to Achieve Progress in the Doha Round

The NFTC's Doha Round Working Group is pressing ahead with a work plan dedicated to achieving an ambitious outcome to the Doha Round of multilateral trade negotiations.

The main objective this year is to ensure it is not a "lost" year by pushing for agreed frameworks on agriculture and industrial goods so that the negotiations can proceed to the next level of detail and conclude in a reasonable time frame. The recent around-the-world tour by Ambassador Zoellick generated positive momentum in this direction in both Geneva and key capitals. Most are looking to the upcoming General Council meeting this summer as the target date for reaching agreement on framework texts to enable the talks to progress to the next step.

In early May, the members of the NFTC Doha Round Working Group will hold a workshop session with key WTO decision makers, including several ambassadors from countries such as Brazil, the EU and China. The workshop will address the three main areas of the negotiation - agriculture, services and non-agricultural market access. In addition, a range of meetings will be held separately with the chairs of the various negotiating groups, as well as with officials from the U.S. Mission and WTO Secretariat.

On another front, the NFTC has decided to collaborate with the Global Business Dialogue on another public discussion series on key issues in the Doha Round in Washington, D.C. Please look for future notices and details.

NFTC Hosts Reception for New Ex-Im Board Members on March 23, 2004

On March 23, the NFTC joined with sister organizations in hosting a reception in honor of the two new Ex-Im Bank board members, April Foley and Max Cleland. Several senior officials from Ex-Im Bank, OPIC and TDA attended the reception, including Ex-Im Chairman Phil Merrill. More than 50 people were in attendance.

Ex-Im's Board has only one remaining slot open, which is expected to be filled soon by Linda Conlin's board nomination, now awaiting full Senate confirmation. Her nomination was recently approved by the Senate Banking Committee.

NFTC Chairman Michael Jordan and 22 Other CEOs Send Letter to the President on Investment Issues

On March 19, NFTC Chairman Michael Jordan and 22 CEO's sent a letter to the President expressing deep concern over the Administration's approach to international investment issues and the negotiation of investment treaties. U.S. business groups have been battling key agency officials for months over proposed policy changes which could diminish existing standards of protection, particularly with respect to ensuring protection and dispute resolution for a wide range of sectors such as natural resources and financial services. The letter urges the President to maintain existing high standards of protection for U.S. investment.

The NFTC recently raised similar concerns as members of the State Department Advisory Committee on International Economic Policy. The Committee provided a detailed report outlining business and non-business NGO concerns over the proposed changes to the draft model Bilateral Investment Treaty. For copies of the report or CEO letter, please contact Mary Irace at 202-887-0278.



International Trade and Finance



NFTC New Members

Alcoa, the world's leading producer of primary aluminum, fabricated aluminum and alumina, is active in all major aspects of the industry. Alcoa serves the aerospace, automotive, packaging, building and construction, commercial transportation and industrial markets, bringing design, engineering, production and other capabilities of Alcoa's businesses to customers. Alcoa also markets consumer brands including Reynolds Wrap(R) foils and plastic wraps, Alcoa(R) wheels, and Baco(R) household wraps. Among its other businesses are vinyl siding, closures, fastening systems, precision castings, and electrical distribution systems for cars and trucks. The company has 120,000 employees in 41 countries. While Alcoa has been an active NFTC International Human Resources member, they have recently increased their NFTC membership to include international trade and finance, through William Rice, Vice President, Marketing, Alcoa World Alumina. www.alcoa.com

Greenberg Traurig LLP is an international law firm with nearly 1,100 lawyers and governmental professionals in 23 offices. The firm works worldwide on trade policies, remedies, negotiations, disputes, and other commercial issues as part of the firm's comprehensive and full-service international practice and presence. A unique feature of its Global Trade Practice Group is the combination of experience and insight offered to clients in strategic trade consulting and overall representation on issues relating to the global trade rules of the World Trade Organization. James Bacchus, Chairman, Global Trade Practice Group represents the firm in its NFTC General Membership. www.gtlaw.com

O'Melveny & Myers LLP has more than 900 attorneys in 13 offices around the world, and its capabilities span virtually every area of legal practice, including Capital Markets; Finance and Restructuring; Entertainment and Media; Intellectual Property and Technology; Labor and Employment; Litigation; M&A/Private Equity; Project Development and Real Estate; Securities; Tax; Trade and International Law; and White Collar and Regulatory Defense. O'Melveny & Myers' International Trade Law Group has represented clients in antidumping investigations, antidumping duty administrative reviews, and countervailing duty investigations and reviews. Additionally, the firm's extensive experience in these matters extends to antitrust, foreign investment and taxation, and foreign trade zone matters. Greta Lichtenbaum represents the firm in its NFTC general membership. www.omm.com

Sullivan & Worcester LLP, founded in 1941, is a general practice law firm comprised of more than 165 lawyers headquartered in Boston, with offices in New York City and Washington, D.C. Their practice is characterized by an emphasis on corporate, tax and securities law with particular strength in financial and commercial transactions. The firm represents both domestic and international clients ranging from Fortune 500 companies and high-profile financial institutions to individual entrepreneurs, joint ventures and closely-held enterprises. Walter Nagel, Of Counsel in the Tax Group represents the firm in its NFTC general membership. www.sullivanworcester.com

Continued from Page 1, "Chairman's Note"

The challenge then, for policy makers and businesses, is not simply to complain about what's happening but to bend it to our advantage. That means taking steps to make sure our workers and firms increase their competitiveness faster than the rest of the world. The NFTC Board statement addresses that in its recommendations for worker training and improvements in our educational system so that today's workers as well as tomorrow's will be prepared to thrive in this highly competitive environment. It also recommends expansion of both private and public support for research and development. America's great strength over the years has been innovation - our ability to have new ideas and to turn those ideas into products, technologies, and jobs. At any given moment we may not be able to see what new jobs are around the corner, but that should not prevent us from keeping our scientists and engineers busy creating them.

The fact that this is an election year guarantees that this debate is not going to go away. In my view, that's a good thing. It is healthy for the country to have this debate and sort out our policies and priorities as the global economy undergoes rapid change. You can be sure the NFTC will continue to play an important role in this debate.



U.S. Japan Tax Treaty Is Passed by Senate

Bill Reinsch, NFTC President, testified at the February 25, 2004 Senate Foreign Relations Committee hearing on the U.S.-Japan and the U.S.-Sri Lanka Tax Treaties. Mr. Reinsch's comments focused on the importance of the agreements to U.S. business (the Japan Tax Treaty replaces a 30-year old tax treaty currently in force), and the continued significance of the expansion and strengthening of the U.S. tax treaty network.

An open trade relationship with Japan has long been significant to NFTC member companies. While the economic relationship between the two countries is already flourishing, the new treaty, which eliminates withholding rates on certain parent-subsidary dividends, royalties, and interest, will increase the competitiveness of U.S. companies and reduce the economic costs that burden cross-border trade between the two countries.

After the hearing, in a business meeting on March 4th, the Committee reported the Japan Tax Treaty to the Senate floor and recommended that it be approved as negotiated. It was approved by the Senate on Tuesday, March 9th. In order to complete the ratification process, President Bush must sign a ratification instrument to confirm and ratify the treaty. A ratification instrument has been completed, and it is intended that the treaty will be signed by the President in the near future, so that instruments of ratification can be exchanged with Japan before the end of March, 2004. Japan also must conclude its ratification process before formal ratification is complete. Both governments are working toward a March 31, 2004 completion date.

If ratification is completed by April 1, the U.S.-Japan Tax Treaty will become effective for withholding payments as of July 1, 2004. If ratification is completed in 2004, but after April 1, the withholding provisions along with the rest of the treaty will become effective as of January 1, 2005.

2004 Spring Tax Committee Meeting Scheduled for April 29th - May 1st in Scottsdale, AZ

This agenda for this year's Spring Tax Meeting is taking shape. It promises to be as information-packed and lively as ever. Remember to register by Wednesday, March 25th, so that you don't miss the early registration rate. The cost of registration, if received after March 25th, will increase by \$100.

As is the tradition, the 2004 Spring Tax Committee will be held in Scottsdale, AZ, and will once again be held at the Scottsdale Plaza Resort. This year the meeting begins with a welcome reception and dinner the night of Thursday, April 29th and continues through lunch on Saturday, May 1st.

While the agenda is still preliminary, Hal Hicks - Associate Chief Counsel International, IRS - has confirmed his participation, and many other important government and private sector speakers have been invited. The meeting will provide an excellent opportunity for NFTC members to discuss issues of interest with government officials and Hill staff in an informal setting.

At the request of NFTC members, the program will include panels on foreign tax credit issues. All presenters will focus their remarks on important recent international tax issues. Updated agendas will be sent as they become available.

The meeting promises to be interesting and informative. Please plan to attend. For additional information, contact Judy Scarabello, Vice President for Tax Policy, jscarabello@nftc.org or the NFTC website, www.nftc.org.



Tax Policy



NFTC Tax Committee Undertakes Tax Treaty Project

The tax treaty area continues to be active. The U.S. Japan Tax Treaty was voted out of the Senate March 9th, on its way to ratification by the March 31, 2004 deadline that would make the withholding rates provided for in the treaty applicable as of July 1, 2004. (Note that Japan must also complete its ratification procedures by the end of March for the treaty to enter into force, and Japan, like the U.S., has been diligently working toward that goal.) In addition, a much anticipated protocol to the U.S.-Netherlands Tax Treaty was signed March 8 by U.S. Treasury Secretary Snow and Dutch State Secretary Joop Wijn. These developments come on the heels of equally significant activity last year like the completion of important agreements with countries of major importance to U.S. companies - the U.K. and Australia.

Increased globalization has caused the number and nature of the items covered by tax treaties to change. Certain treaty articles require modernization to keep up with this trend (e.g., more extensive pension provisions have been included in recently negotiated treaties to keep pace with the number of "cross-border employees") while others must be added to deal with issues that were not previously important enough to warrant inclusion in a tax treaty (e.g., the recent addition of provisions to deal with a REIT or a RIC).

Tax treaties have also changed to incorporate other recent trends. The welcome elimination of parent-subsidiary dividend withholding is a long anticipated example. Many of these items combine to make the 1996 U.S. Model Tax Treaty outdated, which is of particular importance when the Senate Foreign Relations Committee considers tax treaties, or when the OECD Model Tax Treaty is updated.

The NFTC has a legacy of leadership in the tax treaty area, working closely with business and coordinating with the U.S. Treasury. The unprecedented growth in the U.S. tax treaty network makes the contribution of the NFTC and its member companies more important than ever, prompting our undertaking of a tax treaty project that will reflect the views of NFTC members and will address many of the pressing issues in this area. The project will be conducted on behalf of the NFTC by Mary Bennett and Carol Dunahoo of Baker & McKenzie, and is expected to take 18 months. The project will provide an effective way to reflect the views of U.S. business in a comprehensive document.

In order to provide maximum value to the participating companies, participation in the project will include meetings and conference calls to discuss each area of the project. The proposed topics include: 1) permanent establishment issues; 2) profit attribution issues; 3) arbitration; 4) withholding rates; 5) pension and stock option issues; 6) issues regarding the U.S. Model Treaty; 7) practical problems of treaty implementation; 8) application of anti-abuse provisions; 9) effects of EU developments; 10) coordination with the OECD; 11) negotiation priorities; and 12) NFTC participation in treaty negotiation and ratification activity. For a more thorough description of the project, please go to: <http://www.nftc.org/default/tax/NFTC2004TaxTreatyProject.pdf>.

As in the past, the NFTC Tax Committee will solicit member participation and support for the project. Because the project is expected to extend over 18 months, with the major part of the work to be completed in 2004, the cost to participate in the project is \$10,000 for 2004 and \$5,000 for 2005. For more information, please contact Judy Scarabello, Vice President for Tax Policy, jscarabello@nftc.org. As always, your participation is greatly appreciated.



Human Resources



Seminar on May 5 in Washington DC-"IRAQ-Expatriate Management Issues"

On May 5, the NFTC, in conjunction with AIG, CIGNA International Expatriate Benefits and Ernst & Young will host a seminar on Iraq. The agenda will include topics on:

- Expatriate compensation and assignment incentive packages
- Selection, preparation and protection of expatriates and local staff
- Corporate Risk Management issues and planning
- Tax regulations and tax planning

The faculty will include corporate, government and service providers. For further details contact Denise Schulman at dschulman@nftc.org or visit www.nftc.org.

The NFTC, in Conjunction with Hewitt Associates and Baker & McKenzie, Will Host Seminar on April 16: "China: Update on Business, Employment and Labor Law, Human Resource and Political Issues"

In addition to speakers from Hewitt Associates (China) and Baker & McKenzie, the faculty will include:

- John L. Holden, President, National Committee on U.S.-China Relations
- Jeremy Waterman, Manager-Government Affairs, U.S.-China Business Council
- Donald Zagoria, Director-Project on U.S.-China-Taiwan Relations, National Committee on American Foreign Policy and Professor of Government, Hunter College

NOTE NEW DATE - Seminar on China - April 16 - New York City. For agenda and registration information contact Denise Schulman at dschulman@nftc.org, or visit www.nftc.org.

NFTC Expatriate Management Committee -- Meeting Held March 10-12, 2004

Forty two member companies participated in the Spring 2004 EMC meeting. The agenda covered such issues as: "localization" of cross-border assignees; expatriate management software systems; cost-efficient policy alternatives; program communication; tax equalization recovery; process metrics; and the use of employer intranet sites for orientation and policy management. The fall meeting will be in Boston, September 20-22.

Continued from Page 1, "A Word from the President"

result, the issue of how hard the United States should press the Chinese (or anyone, for that matter) on labor issues is fairly joined, in particular whether tariffs are an appropriate remedy.

It is hard not to sympathize with the petition. Chinese labor practices have been widely criticized by diverse parties for some time, and the government's persistent refusal to allow independent labor unions makes it likely that labor practices are unlikely to get better in the near term. Indeed, I have often thought that one of the best things that could happen to China would be the creation of unions that are genuinely independent. That would, obviously, be good for Chinese workers, their salaries and working conditions, but it would also ultimately be good for the Chinese political process and improvements in human rights generally in China. That, in turn, would be good for us.

The issue then, is not where the AFL-CIO says it wants to take China. We can probably agree on that. The issue is, as always, how we get there. The NFTC has always believed that engagement rather than isolation is the answer. We get there by keeping US businesses there promoting responsible labor practices and paying decent wages. We keep US businesses there pressing the government to establish rule of law, so aggrieved workers, as well as companies, have recourse. And we keep US businesses there to demonstrate what is needed to compete successfully in a global economy.

Imposing punitive duties, however, is not engagement. It is unlikely to improve the labor situation, and it will certainly result in us losing yet another WTO case - something that will do little to build confidence in the world trading system. So, while the Administration may well accept the petition and thus provide an opportunity to shine some fresh light on Chinese labor practices, it would be a mistake for it to adopt the remedy the AFL-CIO has proposed, as we will no doubt have occasion to remind it over the course of the next year.



USA*Engage

Senator Lugar Addresses USA*Engage Annual Meeting on Sanctions Reform Legislation; USA*Engage Briefed on Libya Sanctions Developments; Visa Survey Initiated

On February 13, Senator Lugar addressed the Annual Meeting of the USA*Engage coalition. His subject was the Sanctions Reform Act which he re-introduced in late 2003. The bill was originally introduced in the late 1990's to establish common sense tests for newly proposed sanctions. These include an assessment of the costs to the U.S. economy weighed against the likelihood of their success, a two-year sunset, contract sanctity, an effort to multilateralize sanctions and to target sanctions narrowly. Senator Lugar will hold a Foreign Relations Committee hearing on the bill later in the spring at which USA*Engage will testify.

On March 19, USA*Engage was briefed by senior staff of the House International Relations about Congressman Lantos' trip to Libya and his meeting with Moammar Gaddafi. The travel ban on Libya has been lifted and USA*Engage is lobbying for the removal of Libya from the Iran-Libya Sanctions Act and the termination of executive orders prohibiting trade with and investment in Libya.

The President has signed legislation authorizing sanctions on Syria, and USA*Engage has urged the Administration not to impose the economic sanctions which the bill authorizes. A decision is expected in the near future on Syria sanctions.

USA*Engage is conducting a survey of U.S. companies about persisting difficulties in getting HB-1 visas for short-term business travel. This has been a major problem for some member companies despite efforts by the Administration to streamline the process. Members interested contact Haynes Roberts at hroberts@nftc.org.



U.S.-South Africa Business Council

U.S.-South Africa Business Council Meets with Ambassador Masekela; Coalition on Free Trade Negotiations Meets with Lead Negotiator Following Latest Round of Talks

On March 3, South Africa's ambassador to the U.S., Barbara Masekela, met with the U.S.-South Africa Business Council. She reviewed major policy issues discussed in President Mbeki's State of the Nation address and the 2004-5 budget. She outlined her government's expanded program to combat HIV/AIDS. She also discussed the April 14 elections for Parliament and president of South Africa, as well as plans for the 10th anniversary of the democratically elected government on April 27.

On March 6, the Business Council-sponsored coalition on the free trade negotiations between the U.S. and the five countries of the Southern African Customs Union met with Assistant USTR for Africa Flori Liser on the late February round of negotiations. The schedule of talks has been accelerated to meet to December, 2004 deadline for completion. The Business Council will continue to host weekly chapter briefings throughout April with the lead U.S. negotiators on Phase 2 issues.

Several of the more important issues have been deferred to sessions to take place this spring and summer. Among these are the chapters on intellectual property and investment. Negotiations on investment will include a discussion of South Africa's new Black Economic Empowerment policy (BEE). Implementing regulations for BEE are to be issued in April and will be analyzed by Business Council staff for their impact on U.S. companies doing business in South Africa. Companies interested in these issues should contact Dan O'Flaherty at doflaherty@nftc.org or Emily Solomon at ussabc@nftc.org.



Calendar of Events



<u>Date</u>	<u>Topic</u>	<u>Location</u>
April 16	China: Opportunity & Challenge in the Face of Change	New York City
April 19	Ambassador Princeton Lyman on the South African election and 10-year anniversary of the end of apartheid	Washington, DC
April 27	GDB/NFTC Joint Series on WTO Issues: All Too High, Negotiations on Tariffs and NTBs	Washington, DC
April 27	10th Anniversary celebration of "Freedom Day" in South Africa, the end of apartheid, and inauguration day in South Africa	Washington, DC
April 29	Trade and International Finance Committee Meeting with Jim Joy, Senior Commercial Officer, US Embassy Cairo, to discuss the current commercial and trade policy climate in Egypt	Washington, DC
April 29 - May 1	Spring Tax Meeting	Scottsdale, AZ
May 5	Iraq: Human Resource & Business Issues & Answers	Washington, DC
May 6	International Human Resources Seminar	Minneapolis, MN
May 4-7	Doha Round Working Group Delegation Visit to Geneva	Washington, DC
May 11	NFTC/GBD Joint Series on WTO Issues: Blueprint for a Green Negotiation - The Agriculture Negotiations	Washington, DC
May 20	NFTC/GBD Joint Series on WTO Issues: Services - Three Assessments: Direct Delivery, Data Processing, and Financial Services	Washington, DC
June 2	Tax Lunch Forum	Washington, DC
June 2	Tax Steering Committee Meeting	Washington, DC
June 7-8	Board of Directors Meeting	Philadelphia, PA
June 9	International Benefits Committee*	New York City
June 10	NFTC/GBD Joint Series on WTO Issues: The Cotton Candy Stomachache - The DDA & Sensitive Commodities	Washington, DC
July 14-15	Annual International Human Resource Management Conference	New York City
July 15	NFTC/GBD Joint Series on WTO Issues: Amending the Rule Book: Anti-Dumping and Anti-Subsidy Issues in the DDA	Washington, DC



Calendar of Events, continued



<u>Date</u>	<u>Topic</u>	<u>Location</u>
June 16	Executive Human Resource Strategy Forum*	New York City
July 21	Tax Lunch Forum	Washington, DC
July 21	Tax Steering Committee Meeting	Washington, DC
September 9	NFTC/GBD Joint Series on WTO Issues: All The Boats: Capacity Building and the Development Agenda	Washington, DC
September 15	Tax Lunch Forum	Washington, DC
September 15	Tax Steering Committee Meeting	Washington, DC
September 20-22	Expatriate Management Committee*	Boston, MA
September 23	International Human Resources Seminar	Boston, MA
October 7	International Benefits Committee*	New York City
October 7	NFTC/GBD Joint Series on WTO Issues: Alternative Plans?: The DDA and the U.S. Election	Washington, DC
October 13	Tax Lunch Forum	Washington, DC
October 13	Tax Steering Committee Meeting	Washington, DC
November	Annual World Trade Dinner and Award Ceremony	New York City
November	Annual Membership Meeting	New York City
November	Board of Directors Meeting	New York City
November 4	Global Mobility Management Roundtable*	New York City
November 16	Fall Tax Committee Meeting	Washington, DC

**Note: The Tax Steering Committee Meetings, SACU FTA Chapter Briefings, Expatriate Management, Global Compensation and International Benefits Committees are by invitation only. For information about them contact Chuck Dittrich, (202) 887-0278, e-mail cdittrich@nftc.org.*



National Foreign Trade Council



Current Member?

Update your contact information or add a colleague from your company who doesn't currently participate in NFTC activities.

Join us in securing an Open Global Trading System for U.S. Business!

If you know of a company that we may contact to join the NFTC or if you are not a member and would like information on how to become involved, let us know:

Company: _____
 Contact Name: _____
 Address: _____
 Phone: _____
 Fax: _____
 Email: _____

NFTC Area of Interest (check all that apply):

- | | |
|---|---|
| <input type="checkbox"/> International Trade & Investment | <input type="checkbox"/> Export & Project Finance |
| <input type="checkbox"/> International Human Resources | <input type="checkbox"/> International Taxation |
| <input type="checkbox"/> USA*Engage | <input type="checkbox"/> U.S.-South Africa Business Council |

Please mail or fax to:

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