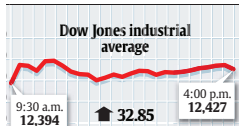


SECTION B
MONEY.USATODAY.COM

FRIDAY, APRIL 7, 2011

Moneyline

Wednesday markets



	Close	Change
S&P 500	2799.82	▲ 8.63
Dow Jones Industrial Average	12355.54	▲ 2.91
10-year Treasury note yield	3.55%	▲ 0.06
DJIA Internet 50	169.29	▲ 0.42
WTI sweet crude, barrel	\$108.83	▲ 0.49
Dollar per euro	\$1.4336	▲ 0.0162
Dollar per yen	85.47	▲ 0.93

Quotes on your cellphone
Send text message to 4INFO (44636) with STOCK TICKER (DELL) or FUND TICKER (AGTHX).

Legal to ask for bailout funds

U.S. Prime Minister Jose Socrates says his country will ask for a bailout because of its high unemployment and difficulty raising money. Portugal is the troubled eurozone country after Greece and Ireland to request assistance from Europe's bailout and the International Monetary Fund. ... It could need up to \$114.4 billion. ... It is raising its unemployment rate forecast from 11 to 19.8% from 19.5%.

Job rate drops in many metro areas

More than three-quarters of the 372 largest metro areas reported lower jobless rates in February than in January, the Labor Department said. More than 300 areas added jobs. The gains "are clearly becoming a lot more broad-based," said Arisa Di Natale of Moody's Analytics. Metro areas that posted the biggest job gains were: Los Angeles-Long Beach, with a gain of 53,600; New York-Northern New Jersey, a gain of 18,500; Miami-Fort Lauderdale, up 16,800.

Higher gas prices boost online sales

MasterCard Advisors' SpendingPulse showed growth slowed in some retail categories in March. But consumers spent more on clothing and other items, from electronics to luxury goods, than in March 2010.

SpendingPulse tracks spending across all payments, including cash. Growth in online sales, less than 10% of all retail sales, grew as shoppers tried to save on gas, says Michael McNamara, vice president of research and analysis for SpendingPulse. Online spending in all categories rose 16.1%, compared with lower rates in January and February and a 15.9% increase in March 2010. Separately, selected major retailers are to report today on revenue at stores open at least a year.

Volvo owners getting 1,000 miles

Volvo Motors said drivers of Volt electric cars aren't traveling 1,000 miles before they need gas, making it more practical for daily use. 41,000 plug-in Volt runs on batteries, then switches to a gas-powered electric generator the charge dwindles. GM sold 1,210 Volts U.S. in the first quarter, Autodata says.

Agent testifies in Rajaratnam trial

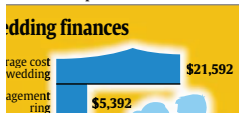
Investment Group co-founder Raj Rajaratnam made \$63.8 million through trading with insider information in 11 stocks, a federal agent testified. Barnacle Jr., an FBI special agent, told the defendant made, or avoided losses of, millions. Rajaratnam is accused of trading secrets leaked by corporate insiders and hedge funds. He has denied wrongdoing and says the charges were based on legitimate research.

AP and Bloomberg News reports

Auto tips, information online

Find the latest tax stories and tips through April 18 at taxes.usatoday.com

TODAY Snapshots®



2012 Focus: Ford is using shutters on its latest model.

cars are using shutters to block wind, increasing fuel efficiency, 3B



Newsweek Green Rankings based upon environmental impact, green policies and performance, and scores as of October 18, 2010. ©2010 Sprint.



Crafting: Glenn Walton welds a canoe at Osagian Canoes in Lebanon, Mo. The company's aluminum canoes have hull pieces that are welded rather than riveted.

Small businesses look over borders

With government, bank help, some are adding markets

By Paul Davidson
USA TODAY

Executives at Osagian Canoes of Lebanon, Mo., never thought much about selling their product outside the U.S.

Shipping costs for the 17-foot-long aluminum canoes seemed exorbitant. And Osagian sales manager John Carr figured he'd have to learn new languages, and he worried that international sales contracts couldn't be enforced.

But since attending a workshop last year developed by the Commerce Department, Osagian has opened a small factory in Denmark, and exports are on pace to make up 15% of sales this year.

The workshop, called ExporTech, "opened my mind to possibilities," Carr said. "It's not that big of a world out there."

Commerce, along with the Small Business

Administration and the Export-Import Bank, are making a big push to help small and midsize firms dramatically increase exports. The effort is part of President Obama's National Export Initiative, launched early last year, which aims to double U.S. exports in five years and create 2 million jobs.

With debt-laden Americans helping more and spending less, the campaign helps firms tap faster-growing economies, including emerging markets such as China. Eighty-six percent of global economic growth the next decade is projected to be outside the U.S., according to Commerce. Exports of \$1.8 trillion were 11% of the U.S. economy last year.

Small companies are at the heart of the effort, since they create two-thirds of new jobs in an economic recovery, officials say. Yet, they often lack the overseas offices, sales forces and cross-cultural knowledge to mine foreign markets, says Mark Zandi, chief economist of Moody's Analytics.

Small and midsize companies produce half the nation's economic output but account for just 30% of exports. Overall, just 1% of the nation's 30 million companies export products,

Please see COVER STORY next page ▶

Colombian trade deal opens door for more

Breakthrough hailed by U.S. business leaders

By Richard Wolf
USA TODAY

WASHINGTON — A breakthrough in stalled negotiations over a U.S.-Colombia agreement clears the way for Congress to consider deals with South Korea and Panama.

President Obama and Colombian President Juan Manuel Santos will approve an "action plan" on labor rights today that had held up free trade pact since it was negotiated in 2006.

Without deals on all three trade pacts, U.S. Republicans had vowed to block confirmation of a new Commerce secretary and other measures.

Trade Administration officials said the deal is a breakthrough because it improves protections for labor leaders and union organizers in the violence-torn nation clear way for the trade deal.

The International Trade Commission estimates Colombian tariff reductions will ease U.S. exports by \$1.1 billion and the U.S. economy by \$2.5 billion a year. Trade Representative Ron Kirk said "the impact on America should be creative and positive."

U.S. farmers will be among the top beneficiaries. More than half of current U.S. farm exports to Colombia will become duty-free immediately. Other big winners: heavy equipment manufacturers, such as Caterpillar.

The deal comes as nations such as China and Argentina have expanded their exports to the U.S.

The breakthrough was hailed by business leaders and Republicans in Congress. Tim Donohue, president of the U.S. Chamber of Commerce, said "We can't afford further trade deals with Colombia and put American workers at a competitive disadvantage."

Labor leaders and key Democrats in Congress said the plan doesn't go far enough to address labor and human rights issues in Colombia, which the AFL-CIO calls "the most deadly nation in the world in which to be a trade unionist." More than 2,850 union workers have been murdered in the past 25 years, including 100 in 2010.

"These problems are deeply ingrained; they cannot be solved by commitment; they require a piece of paper," AFL-CIO President Richard Trumka said.

Obama opposed the Colombia deal during his 2008 presidential campaign. But now he's trying to promote U.S. exports. Last year he set a goal of doubling U.S. exports in five years.

Among signs of progress: ▶ The revised trade deal with South Korea, the seventh-largest U.S. trading partner, is expected to increase exports by \$10 billion and support about 70,000 U.S. jobs.

▶ New business deals with China are worth more than \$45 billion in increased export of 235,000 U.S. jobs.

Prius sales pass 1 million as more drivers seek hybrids

By James R. Healey
USA TODAY

Toyota's Prius gas-electric hybrid has passed 1 million in U.S. sales since the then-radical high-mileage car's launch in 2000, a sales milestone that comes as gas prices continue to rise and, with them, demand for hybrids.

Edmunds.com, an auto-shopping site, says Americans bought 37% more hybrids the first quarter this year than they did a year earlier, a marked response to higher fuel prices — an average \$3.71 a gallon now vs. \$2.83 a year ago, according to motorist group AAA.

Simpler, less-expensive hybrid tech is coming from corporate affiliates Hyundai and Kia and from Volkswagen, Roland Hwang of the Natural Resources Defense Council says. "It's a hybrid system for the masses that'll really push (hybrids) into the mainstream."

strong showing, considering hybrids are priced higher than similar gasoline cars. Coming soon are plug-in hybrids that will go farther on battery power before kicking on their gas engines, which could boost today's hybrid mileage ratings of 45 to 50 miles per gallon to 75 mpg or more, automakers say.

Pure electric cars, such as Nissan's Leaf, aren't expected to cut into gas-electric hybrid sales. Says Riddell, "With electric cars, you're dealing with range anxiety. Hybrids, even if they run out of electricity, the car knows to turn on the engine and away you go."

Prius has its own challenges. Edmunds.com analyst Ivan Drury says fewer people are considering a Prius than was the case just three weeks ago. He says that's probably due to rumors of shortages and higher prices as a result of the Japanese disasters. Also, there are growing choices among



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GUYS NIGHT OUT OVER

Recession spurred small companies to try exporting

Continued from 1B

and 58% of those that do ship to only one country.

"So much of what America makes is in great demand," Commerce Secretary Gary Locke said in an interview. Small and midsize companies' "growth potential is outside the U.S."

According to a Commerce survey, small businesses' biggest concern is that they simply don't know how to identify and sell to overseas customers. That's followed by worries that they won't be able to get financing and won't be paid by foreign buyers. Myriad other concerns include language and cultural barriers, shipping costs, potential theft of intellectual property, cross-border tax differences and burdensome red tape.

COVER STORY

The department's U.S. Commercial Service has long had officers in dozens of foreign countries who hunt for potential customers for U.S. exporters. Meanwhile, Commerce centers across the USA do market research and shepherd businesses through a thicket of rules and paperwork.

As part of the export initiative, the Commerce Department is working with carriers such as FedEx and UPS to identify shippers that have potential to expand overseas. Commerce representatives are also traversing the USA to educate small firms in day-long sessions.

Small firms seeking working capital for exports can now get a Small Business Administration guarantee for up to a \$5 billion loan, up from \$2 billion. The Export-Import Bank aims to provide a total \$6 billion in loans for small-business exports in fiscal 2011, up from \$5 billion last year. Commerce is also working to remove trade barriers and crack down on tariff violations.

The initiative is showing results. From October to January, Export-Import Bank loans were \$1.5 billion, vs. \$1.4 billion a year ago. In 2010, Commerce recruited 13,000 foreign buyers to U.S. trade shows and helped 5,500 companies, including 4,675 small firms, snare overseas buyers. Both are increases from 2009.

Getting a safety net

Osagian Canoes' Carr says the Export-Tech workshop he attended taught him that, for a fee, the Export-Import Bank provides insurance if an overseas customer doesn't pay a bill. He also discovered "the English language is the language of business. I thought I was going



Photos by Valerie Mosley, Springfield (Mo.) News Leader

Cast off: Glenn Walton puts a canoe in the test pool after welding the seams at Osagian Canoes in Lebanon, Mo. The company ships canoes in pieces to Denmark, where they are assembled and sold in European markets.



Global: John Carr of Osagian Canoes in Missouri is looking to South America.

to have to learn to speak German."

Osagian executives looked across the Atlantic because U.S. sales have been stagnant, at about 750 to 800 canoes each year, mostly to resorts and camps. "We just felt maybe the U.S. market was a little bit mature," he says.

Carr didn't have to search too strenuously for his first customer. A kayak distributor in Denmark called and asked if he could sell Osagian's canoes to dealers in his country, and in Norway and Sweden. Carr says Osagian makes the only aluminum canoe whose hull

many, where he met nine sales representatives who agreed to sell Osagian's canoes in Germany, France, England, Switzerland and Austria. All told, Osagian expects to sell about 175 canoes overseas this year, boosting sales 20%.

His next targets: Southern Hemisphere regions such as South America and Australia, which enjoy summer when the U.S. is logging through winter. That would help Osagian prop up sales in the U.S. off-season. Carr expects to increase foreign sales to about 500 a year by 2013. That would mean doubling his six-employee staff.

Seeking other markets

The wake-up call for some fledgling small-business exporters came during the recession.

"You start seeing your business almost failing, and we're like, 'OK, we have to (pull out) all stops here,'" says Jason Meyer, CEO of Blue Cube LCD, which makes parts and enhancements for liquid-crystal displays.

Meyer says the Garner, Iowa, firm's initial overseas buyers were referrals from U.S. customers. It's now cranking out LCD parts for the first exports — to a maker of tractor GPS systems in Italy and a factory automation producer in France. He's also planning an e-mail marketing drive.

He fretted about complex shipping codes and duty payments. Entering the wrong shipping code has caused his products to languish at ports for a week or more. But he says officials at Commerce help centers "are making it a lot easier." The Italian order, he says, is for 250 units a month, and filling it will require him this year to add 10 to 15 employees to his staff of 18.

Veteran exporters, meanwhile, are growing. Epicurean, which makes restaurant-quality cutting boards for consumers, began shipping overseas in 2005, and its exports to 48 countries now make up 40% of sales, says President David Benson. The Duluth, Minn., firm found its first buyers through a Commerce website that links U.S. sellers with foreign buyers. It expanded by meeting dealers at trade shows. Today, four of his 27 employees handle exports exclusively, he says.

There are challenges, Benson says, such as being unable to easily visit a store to see how the cutting boards are displayed. But if not for exports, he says, sales growth this year would be 5%, not the 40% Epicurean expects.

Benson says many customers want products made in the USA. "There's just not as many . . . as there used to be."

Online help for exporters

www.export.gov: General information on exporting, including regulations and country and industry reports.

www.buyusa.gov/home/fuse.html: Listing of exporters' products for customers around the world.

http://us.kompass.com: Directory of foreign companies. Exporters can use it to identify prospective customers or list themselves to reach prospects.

www.export-u.com: Free training for exporters.

www.webportglobal.com: Lets U.S. exporters communicate and share information.

pieces are welded rather than riveted, making it more durable.

Yet it occupies so much space that only 20 fit in a 2,500-cubic-foot shipping container. Delivery costs of \$5,000 a shipment, or \$250 per canoe, would add a 28% premium to a \$900 canoe. But Carr realized that Osagian instead could open a small factory in Denmark and ship 200 unassembled canoes at about a tenth of the per-container cost. Osagian has made about 100 canoes at its two-employee Denmark plant; 22 have been sold.

Carr also attended an outdoor-equipment trade show in Nuremberg, Ger-