



U.S. Department of Commerce  
International Trade Administration

# Global Safety and Security Resource Guide

A Reference for U.S. Exporters to Worldwide Markets



prepared by  
**Global Safety and Security Team**  
2013 – 2014 Edition



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**2012 Stats:**

9,177 homeland security professionals  
13 high delegations  
77 official delegations  
12 hosted buyers.

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## INTRODUCTION

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The U.S. Commercial Service is the export promotion agency of the U.S. Department of Commerce. We provide a wide range of services and programs to help American companies export their goods and services. Our U.S. Commercial Service professionals in over 100 U.S. cities and in more than 70 countries will work with your company to help you get started in exporting and to increase your sales to new global markets. Our services include:

- Information and counseling
- Strategy and planning
- Market research and due diligence
- Advertising and promotional events
- Market entry and expansion
- Advocacy and dispute resolution

To learn more about how the U.S. Commercial Service can help your company export and for market research, trade events, trade leads, and information on how to export, please visit <http://export.gov>.

Export.gov brings together resources from across U.S. government agencies to assist American businesses in planning their international sales strategies and succeed in today's global marketplace. It includes a section dedicated to the safety and security industry with market reports, trade leads and other useful information.

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## HOW TO USE THIS GUIDE

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While our economy is going through turbulent times, many U.S. safety and security firms, both small and large, have been able to continue their success by looking at foreign buyers and overseas partners. Through this Resource Guide, the U.S. Commercial Service is encouraging more U.S. firms to take advantage of global demand for American technology and expertise in the safety and security sector by exploring foreign markets.

The Resource Guide is divided into main two sections, a sub-sector matrix and a market research section.

The matrix provides ratings for countries in each of 13 safety and security sub-sectors. It is intended to provide you with a quick reference in understanding which of 13 sub-sectors have the most potential for success in a given market. Each sub-sector and market has a 1-4 rating according to the opinion of our local safety and security specialist. The numbers refer to the following.

- 1 A U.S. exporter has little or no probability of success in this market
- 2 There are more challenges than opportunities for you in this market
- 3 There are more opportunities than challenges for you in this market
- 4 A U.S. exporter has a very high probability of success in this market

A short market research section follows, authored by our local safety and security specialist that further explains opportunities or barriers within the markets, as indicated in the matrix.

The ratings in the sub-sector matrix and the market research represent the opinions of the Commercial Specialists responsible for the safety and security sector at U.S. embassies and consulates across the globe. You will notice that the sub-sector categories are quite broad and may not be applicable to your specific products. Therefore, we encourage you to do further research to confirm that there is a market for your product or service by contacting your domestic Trade Specialist or the Commercial Specialist in the country of interest.

Not all countries are represented in this guide. If you are interested in a market that is not represented in the Resource Guide, contact the nearest local [U.S. trade specialist](#) in one of our 100+ offices in the U.S.

## COUNTRY - SUBSECTOR MATRIX

SAFETY AND SECURITY PRODUCTS			
	VIDEO SURVEILLANCE SYSTEMS	INTRUSION DETECTION / BURGLAR ALARM SYSTEMS	ELECTRONIC ACCESS CONTROL SYSTEM
	<i>Including:</i> CCTV/Video surveillance, Video Management, Video Analytics	<i>Including:</i> Door alarm monitoring, Sound and glass break sensors, Security system monitoring	<i>Including:</i> Proximity & Smart cards, Electromechanical locking solutions, Biometrics
AMERICAS			
<b>Brazil</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Canada</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>Chile</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Colombia</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>El Salvador</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Guatemala</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Honduras</b>	<b>4</b>	<b>4</b>	<b>3</b>
<b>Mexico</b>	<b>3</b>	<b>4</b>	<b>3</b>
<b>Panama</b>	<b>4</b>	<b>4</b>	<b>4</b>
ASIA-PACIFIC			
<b>China</b>	<b>2</b>	<b>4</b>	<b>3</b>
<b>Hong Kong</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>India</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Indonesia</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Japan</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>Korea (S)</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Malaysia</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>New Zealand</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>Philippines</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Singapore</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Taiwan</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Thailand</b>	<b>1</b>	<b>1</b>	<b>2</b>

<b>EUROPE</b>			
<b>Austria</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>Belgium</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Bulgaria</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Czech Rep.</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>Denmark</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Finland</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>France</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>Germany</b>	<b>2</b>	<b>3</b>	<b>2</b>
<b>Greece</b>	<b>4</b>	<b>4</b>	<b>3</b>
<b>Hungary</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Ireland</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Italy</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Netherlands</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Norway</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>Poland</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Portugal</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>Romania</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Russia</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Slovak Rep.</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Spain</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Sweden</b>	<b>4</b>	<b>2</b>	<b>3</b>
<b>Turkey</b>	<b>2</b>	<b>1</b>	<b>3</b>
<b>Ukraine</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>UK</b>	<b>4</b>	<b>2</b>	<b>2</b>
<b>MIDDLE EAST &amp; AFRICA</b>			
<b>Egypt</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Israel</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>Jordan</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Kuwait</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Nigeria</b>	<b>4</b>	<b>4</b>	<b>3</b>
<b>Qatar</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>UAE</b>	<b>4</b>	<b>2</b>	<b>3</b>



<b>SAFETY AND SECURITY PRODUCTS</b>		
<b>ENTRANCE SOLUTIONS</b>	<b>PHYSICAL SECURITY</b>	<b>SCANNING EQUIPMENT</b>
<i>Including:</i> Mechanical locks, Automated gates, Vehicles barriers, Turnstiles, Roll-up doors	<i>Including:</i> Fencing, Grilles, Bullet resistant glazing, Mechanical window coverings, Safes, Locks	<i>Including:</i> Narcotics/explosive /metal detectors, Scanning and screening equipment

<b>AMERICAS</b>			
<b>Brazil</b>	<b>3</b>	<b>2</b>	<b>4</b>
<b>Canada</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Chile</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Colombia</b>	<b>3</b>	<b>4</b>	<b>4</b>
<b>El Salvador</b>	<b>4</b>	<b>4</b>	<b>3</b>
<b>Guatemala</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Honduras</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Mexico</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>Panama</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>ASIA-PACIFIC</b>			
<b>China</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Hong Kong</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>India</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Indonesia</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>Japan</b>	<b>2</b>	<b>3</b>	<b>3</b>
<b>Korea (S)</b>	<b>2</b>	<b>1</b>	<b>3</b>
<b>Malaysia</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>New Zealand</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>Philippines</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>Singapore</b>	<b>1</b>	<b>1</b>	<b>3</b>
<b>Taiwan</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Thailand</b>	<b>1</b>	<b>2</b>	<b>3</b>

<b>EUROPE</b>			
<b>Austria</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>Belgium</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Bulgaria</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Czech Rep.</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Denmark</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Finland</b>	<b>3</b>	<b>2</b>	<b>4</b>
<b>France</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Germany</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Greece</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>Hungary</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Ireland</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Italy</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>Netherlands</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>Norway</b>	<b>2</b>	<b>3</b>	<b>3</b>
<b>Poland</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Portugal</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Romania</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Russia</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Slovak Rep.</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Spain</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Sweden</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Turkey</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Ukraine</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>UK</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>MIDDLE EAST &amp; AFRICA</b>			
<b>Egypt</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Israel</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Jordan</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Kuwait</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Nigeria</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>Qatar</b>	<b>4</b>	<b>1</b>	<b>1</b>
<b>UAE</b>	<b>3</b>	<b>2</b>	<b>4</b>

 <p>U.S. COMMERCIAL SERVICE United States of America Department of Commerce</p>	SAFETY AND SECURITY PRODUCTS	
	ARTICLE SURVEILLANCE SYSTEMS	PERSONAL PROTECTION PRODUCTS
	<i>Including:</i> RFID systems, proximity tag systems	<i>Including:</i> Goggles, Bullet proof vests, Mace

**AMERICAS**

<b>Brazil</b>	<b>3</b>	<b>2</b>
<b>Canada</b>	<b>4</b>	<b>4</b>
<b>Chile</b>	<b>3</b>	<b>3</b>
<b>Colombia</b>	<b>4</b>	<b>3</b>
<b>El Salvador</b>	<b>3</b>	<b>3</b>
<b>Guatemala</b>	<b>3</b>	<b>2</b>
<b>Honduras</b>	<b>2</b>	<b>3</b>
<b>Mexico</b>	<b>2</b>	<b>3</b>
<b>Panama</b>	<b>3</b>	<b>4</b>

**ASIA-PACIFIC**

<b>China</b>	<b>3</b>	<b>2</b>
<b>Hong Kong</b>	<b>3</b>	<b>1</b>
<b>India</b>	<b>3</b>	<b>2</b>
<b>Indonesia</b>	<b>4</b>	<b>2</b>
<b>Japan</b>	<b>2</b>	<b>3</b>
<b>Korea (S)</b>	<b>2</b>	<b>1</b>
<b>Malaysia</b>	<b>2</b>	<b>2</b>
<b>New Zealand</b>	<b>2</b>	<b>3</b>
<b>Philippines</b>	<b>3</b>	<b>3</b>
<b>Singapore</b>	<b>2</b>	<b>1</b>
<b>Taiwan</b>	<b>3</b>	<b>3</b>
<b>Thailand</b>	<b>1</b>	<b>2</b>

<b>EUROPE</b>		
<b>Austria</b>	<b>3</b>	<b>2</b>
<b>Belgium</b>	<b>3</b>	<b>2</b>
<b>Bulgaria</b>	<b>2</b>	<b>1</b>
<b>Czech Rep.</b>	<b>1</b>	<b>1</b>
<b>Denmark</b>	<b>3</b>	<b>3</b>
<b>Finland</b>	<b>3</b>	<b>4</b>
<b>France</b>	<b>1</b>	<b>2</b>
<b>Germany</b>	<b>2</b>	<b>3</b>
<b>Greece</b>	<b>3</b>	<b>2</b>
<b>Hungary</b>	<b>3</b>	<b>2</b>
<b>Ireland</b>	<b>3</b>	<b>3</b>
<b>Italy</b>	<b>3</b>	<b>3</b>
<b>Netherlands</b>	<b>3</b>	<b>2</b>
<b>Norway</b>	<b>3</b>	<b>1</b>
<b>Poland</b>	<b>2</b>	<b>2</b>
<b>Portugal</b>	<b>2</b>	<b>4</b>
<b>Romania</b>	<b>3</b>	<b>2</b>
<b>Russia</b>	<b>4</b>	<b>2</b>
<b>Slovak Rep.</b>	<b>2</b>	<b>2</b>
<b>Spain</b>	<b>3</b>	<b>2</b>
<b>Sweden</b>	<b>3</b>	<b>2</b>
<b>Turkey</b>	<b>2</b>	<b>2</b>
<b>Ukraine</b>	<b>3</b>	<b>2</b>
<b>UK</b>	<b>4</b>	<b>3</b>
<b>MIDDLE EAST &amp; AFRICA</b>		
<b>Egypt</b>	<b>3</b>	<b>4</b>
<b>Israel</b>	<b>3</b>	<b>3</b>
<b>Jordan</b>	<b>3</b>	<b>3</b>
<b>Kuwait</b>	<b>3</b>	<b>-</b>
<b>Nigeria</b>	<b>3</b>	<b>4</b>
<b>Qatar</b>	<b>3</b>	<b>2</b>
<b>UAE</b>	<b>3</b>	<b>3</b>

<b>SAFETY AND SECURITY SERVICES</b>		
 <p><b>U.S. COMMERCIAL SERVICE</b> United States of America Department of Commerce</p>	<b>PROTECTION SERVICES</b>	<b>CONSULTANCY SERVICES</b>
	<i>Including:</i> Bodyguards, Security guard services	<i>Including:</i> Risk analysis, Risk management, Disaster recovery, Business continuity, Organizational resilience
<b>AMERICAS</b>		
<b>Brazil</b>	<b>1</b>	<b>2</b>
<b>Canada</b>	<b>2</b>	<b>2</b>
<b>Chile</b>	<b>1</b>	<b>1</b>
<b>Colombia</b>	<b>3</b>	<b>3</b>
<b>El Salvador</b>	<b>2</b>	<b>2</b>
<b>Guatemala</b>	<b>4</b>	<b>2</b>
<b>Honduras</b>	<b>2</b>	<b>2</b>
<b>Mexico</b>	<b>3</b>	<b>2</b>
<b>Panama</b>	<b>2</b>	<b>2</b>
<b>ASIA-PACIFIC</b>		
<b>China</b>	<b>2</b>	<b>3</b>
<b>Hong Kong</b>	<b>1</b>	<b>1</b>
<b>India</b>	<b>1</b>	<b>1</b>
<b>Indonesia</b>	<b>1</b>	<b>2</b>
<b>Japan</b>	<b>1</b>	<b>2</b>
<b>Korea (S)</b>	<b>1</b>	<b>2/3</b>
<b>Malaysia</b>	<b>1</b>	<b>2</b>
<b>New Zealand</b>	<b>1</b>	<b>1</b>
<b>Philippines</b>	<b>2</b>	<b>3</b>
<b>Singapore</b>	<b>1</b>	<b>2</b>
<b>Taiwan</b>	<b>3</b>	<b>2</b>
<b>Thailand</b>	<b>1</b>	<b>2</b>

<b>EUROPE</b>		
<b>Austria</b>	<b>2</b>	<b>2</b>
<b>Belgium</b>	<b>1</b>	<b>3</b>
<b>Bulgaria</b>	<b>1</b>	<b>2</b>
<b>Czech Rep.</b>	<b>2</b>	<b>3</b>
<b>Denmark</b>	<b>2</b>	<b>2</b>
<b>Finland</b>	<b>2</b>	<b>3</b>
<b>France</b>	<b>1</b>	<b>2</b>
<b>Germany</b>	<b>2</b>	<b>3</b>
<b>Greece</b>	<b>2</b>	<b>2</b>
<b>Hungary</b>	<b>1</b>	<b>2</b>
<b>Ireland</b>	<b>2</b>	<b>3</b>
<b>Italy</b>	<b>2</b>	<b>2</b>
<b>Netherlands</b>	<b>2</b>	<b>3</b>
<b>Norway</b>	<b>1</b>	<b>2</b>
<b>Poland</b>	<b>2</b>	<b>2</b>
<b>Portugal</b>	<b>2</b>	<b>2</b>
<b>Romania</b>	<b>2</b>	<b>3</b>
<b>Russia</b>	<b>1</b>	<b>4</b>
<b>Slovak Rep.</b>	<b>2</b>	<b>1</b>
<b>Spain</b>	<b>1</b>	<b>2</b>
<b>Sweden</b>	<b>3</b>	<b>2</b>
<b>Turkey</b>	<b>1</b>	<b>3</b>
<b>Ukraine</b>	<b>1</b>	<b>2</b>
<b>UK</b>	<b>1</b>	<b>3</b>
<b>MIDDLE EAST &amp; AFRICA</b>		
<b>Egypt</b>	<b>2</b>	<b>2</b>
<b>Israel</b>	<b>1</b>	<b>2</b>
<b>Jordan</b>	<b>2</b>	<b>2</b>
<b>Kuwait</b>	<b>-</b>	<b>3</b>
<b>Nigeria</b>	<b>1</b>	<b>2</b>
<b>Qatar</b>	<b>1</b>	<b>1</b>
<b>UAE</b>	<b>1</b>	<b>4</b>

KEY APPLICATIONS			
 <p><b>U.S. COMMERCIAL SERVICE</b> United States of America Department of Commerce</p>	NATIONAL SECURITY	FIRE & RESCUE	IT SECURITY
	<i>Including:</i> Counter terrorism, Border security, Critical infra., Command & control, Law enforcement eq.	<i>Including:</i> Fire/smoking detection, Fire suppression, Fire proofing, Leak detection, Protective gear	<i>Including:</i> Cyberterrorism, Anti-malware, Encryption
AMERICAS			
<b>Brazil</b>	<b>4</b>	<b>2</b>	<b>3</b>
<b>Canada</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>Chile</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Colombia</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>El Salvador</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>Guatemala</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Honduras</b>	<b>3</b>	<b>4</b>	<b>3</b>
<b>Mexico</b>	<b>4</b>	<b>3</b>	<b>2</b>
<b>Panama</b>	<b>2</b>	<b>4</b>	<b>2</b>
ASIA-PACIFIC			
<b>China</b>	<b>2</b>	<b>3</b>	<b>2</b>
<b>Hong Kong</b>	<b>2</b>	<b>3</b>	<b>2</b>
<b>India</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>Indonesia</b>	<b>4</b>	<b>2</b>	<b>4</b>
<b>Japan</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Korea (S)</b>	<b>2/3</b>	<b>2/3</b>	<b>2</b>
<b>Malaysia</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>New Zealand</b>	<b>2</b>	<b>3</b>	<b>3</b>
<b>Philippines</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>Singapore</b>	<b>4</b>	<b>2</b>	<b>3</b>
<b>Taiwan</b>	<b>2</b>	<b>4</b>	<b>4</b>
<b>Thailand</b>	<b>3</b>	<b>2</b>	<b>1</b>

<b>EUROPE</b>			
<b>Austria</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Belgium</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Bulgaria</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Czech Rep.</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Denmark</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>Finland</b>	<b>2</b>	<b>3</b>	<b>3</b>
<b>France</b>	<b>3</b>	<b>1</b>	<b>3</b>
<b>Germany</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Greece</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Hungary</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>Ireland</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Italy</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Netherlands</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Norway</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Poland</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>Portugal</b>	<b>2</b>	<b>3</b>	<b>3</b>
<b>Romania</b>	<b>4</b>	<b>4</b>	<b>3</b>
<b>Russia</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>Slovak Rep.</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Spain</b>	<b>3</b>	<b>2</b>	<b>4</b>
<b>Sweden</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Turkey</b>	<b>3</b>	<b>2</b>	<b>4</b>
<b>Ukraine</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>UK</b>	<b>4</b>	<b>2</b>	<b>4</b>
<b>MIDDLE EAST &amp; AFRICA</b>			
<b>Egypt</b>	<b>4</b>	<b>3</b>	<b>2</b>
<b>Israel</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>Jordan</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Kuwait</b>	<b>3</b>	<b>3</b>	<b>Sector not fully developed yet.</b>
<b>Nigeria</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>Qatar</b>	<b>2</b>	<b>4</b>	<b>4</b>
<b>UAE</b>	<b>4</b>	<b>4</b>	<b>4</b>



# IFSEC Global

## THE WORLD'S LEADING COMMUNITY FOR SECURITY AND FIRE



Access Control & Biometrics



Counter Terror



CCTV & Surveillance



Integrated Security



Intruder Alarms



IP Networks



Lone Worker



Physical Security



Intelligent Buildings

**70,000 +**  
Security Professionals

**1,200**  
Manufacturers and Distributors

**8 Events**

**1 Hub**  
for the Security Community

 **IFSEC**Global.com  
SECURITY • FIRE



**IFSEC West Africa**  
COMMERCIAL & GOVERNMENT SECURITY • FIRE • SAFETY

5-6 March 2013, EKO Expo Centre, Lagos, Nigeria



**IFSEC International**  
COMMERCIAL & GOVERNMENT SECURITY

13-16 May 2013, NEC Birmingham, UK



**IFSEC South Africa**  
COMMERCIAL & GOVERNMENT SECURITY • FIRE

18-20 June 2013, Gallagher Convention Centre, Johannesburg



**IFSEC Southeast Asia**  
COMMERCIAL SECURITY • FIRE • SAFETY

11-13 September 2013, KLCC, Kuala Lumpur, Malaysia



**IFSEC Istanbul**  
SECURITY • FIRE

30 Sept-2 Oct 2013, Lutfi Kirdar Istanbul Convention and Exhibition Centre



**IFSEC International**  
COMMERCIAL & GOVERNMENT SECURITY • FIRE

15-18 October 2013, KyivExplo Plaza, Kyiv, Ukraine



**IFSEC & OSH Arabia**  
PROTECTION • FIRE • SAFETY

24-26 November 2013, RICEC Riyadh, Saudi Arabia



**IFSEC India**  
SECURITY • FIRE

5-7 December 2013, Expocentre Noida, New Delhi



**IFSEC & FIREX AWARDS**

Organised by



## Austria

Capital: Vienna  
Population: 8.21 million  
GDP: \$ 349.9 billion  
World ranking: 38  
Currency: EUR  
Language: German



### SUMMARY

Austria is a dynamic EU member country with an affluent population of 8.3 million German speakers and a territory about the size of Maine. Austria's manageable size and stable business environment make it an attractive market for U.S. exporters and a test market for U.S. firms eyeing expansion into neighbouring Germany. Austria's historical and economic ties to Eastern and South-eastern Europe also make it a logical base for serving those growth markets. At present, approximately 340 U.S. firms have subsidiaries, affiliates, franchisees, and licensees in Austria, of which about 100 have regional responsibilities for Central and Eastern European, or Balkan countries. U.S. products and services enjoy a good reputation in Austria.

Demand for safety and security equipment and services continues to be significant and remains a primary area of focus at several institutions of the Austrian Government and government connected bodies. As in other EU countries, emphasis has been placed in Austria on homeland security, transportation and critical infrastructure protection. Although final data is not available, the estimated total Austrian market demand for safety and security equipment in 2011 was \$421.6 million. U.S. safety & security equipment imports into Austria are estimated to be \$4.3 million.

### MARKET ENTRY

U.S. firms should plan their market entry very carefully. Given its location in the center of Europe and the size of its market, small enough to allow a quick overview, Austria stands out as a desirable, affluent pilot market for advanced U.S. products. The best strategy is to screen potential distributors, and select a qualified local distributor. Austrian distributors are usually knowledgeable and experienced. The majority of distributors are fluent in English. They are also knowledgeable about EU approval procedures and will obtain approval for U.S. suppliers if needed.

The successful U.S. supplier should discuss and agree on a marketing strategy with a prospective distributor. Once the agent or distributor is selected, it is

preferable to maintain this relationship for a number of years. Abrupt changes in distribution patterns distract users from trusted suppliers and have been detrimental to U.S. suppliers who have taken such action in the past. It may take up to two years to introduce a new product, owing to the conservative and complex nature of the Austrian market.

## CURRENT MARKET TRENDS

The past decade has been characterized by a significant decrease in overall crime rates, as well as, property crime rates; though cybercrime rates saw a dramatic increase. In the year 2010 reported crime rates dropped to a number of 535,745, which represents the lowest level since 2001. A total of 540,007 crimes were reported in Austria in 2011 and therefore it represents only a slight increase of 0.8% compared with 2010. Though violent crime is relatively low in Austria, it has been slowly rising with an increase in murders and attempted murders from 162 in 2010 to 174 in 2011 at a solution rate of around 91%. The main reason for a decrease in the overall crime rate since 2001 can be attributed to large decrease in property crime. Vienna is still the region most affected by crime, followed by Lower Austria. In the past years, Vienna has become a target for burglaries and break-ins, which many Austrians attribute to the political and economic consequences of continuing integration in Europe and the subsequent increase in immigration, both legal and illegal. However, a master plan implemented in 2010 to combat the high number of burglaries seems to have had an effect: break-ins into private homes decreased by 38.6% while apartment break-ins decreased by 17.9% compared with 2009. In 2011 break-ins again decreased slightly by 0.8%. The incidents of car theft, after falling to an absolute bottom level in 2010 (5,150 reported incidents), also continue to remain low in 2011 (5,158 reported incidents).

A significant portion of the decrease in property crimes can be attributed to the break-up of one of the major burglary rings operating in Austria. While this was certainly a large success and the police have taken measures to increase and improve the effectiveness of police, there are indications that the low property crime rates of 2010 and 2011 may not be sustained. The number of reported break-ins increased in 2011 which may point to the re-grouping of some of the burglary rings that were disbanded earlier in the year. There has also been a dramatic rise in cybercrime, from 1,490 reported cases in 2010 to 5,100 cases in 2011. Combating cyber and internet crime has also been cited by the Federal Police Agency as a main priority for 2012.

In 2011, a substantial increase of bank robberies has been reported, especially in the province around Vienna. In most of the cases the automated teller machines (ATM) have been opened and completely destroyed.

**MAIN COMPETITORS**

The security market in Austria has become a growth industry with 440 firms involved in security systems, 170 firms involved in safety engineering, and 150 in providing support functions. Surveillance companies dealing with the protection of people and property, electronic monitoring, fire detection, as well as armored-car manufacture and services generate strong turnover figures. The lion’s share of the surveillance business is comprised of the Austrian Security Service (2400 employees), Securitas (1350 employees), which is part of a Swedish concern, and Group4S (2300 employees). In 2012, the total Austrian market for safety and security equipment is estimated to be \$438.5 million. The market is expected to grow at an estimated annual real growth rate of 2% over the next three years. Austrian imports from the United States in this sector were approximately \$4.1 million in 2010. 2010 Austrian import market shares for Security and Safety Equipment in Austria were as follows:

<i>Country</i>	<i>Market Share (of imports only)</i>
<i>Germany</i>	45.3%
<i>China</i>	8.0%
<i>Switzerland</i>	6.0%
<i>Italy</i>	4.9%
<i>Slovakia</i>	3.0%
<i>USA</i>	1.8%
<i>Slovenia</i>	1.7%

Two leading U.S. manufacturers of sophisticated security solutions are already well established in the Austrian market: GE Security and ADT of Tyco International.

Austrian local production within this sector consists of the manufacturing of all sizes of safes, some electronic security devices, and a wide range of sophisticated locks and locking systems for all applications.

**CURRENT DEMAND**

The Austrian security market offers many opportunities for U.S. firms. It represents a desirable, affluent test market for advanced U.S. technology. In particular, access-control systems, including biometric identification systems, and video surveillance equipment, including CCTV systems have considerable

potential. Internet Protocol (IP) – based security is highly attractive to the trade and is currently growing at an annual rate of 40%.

Due to a sharp increase in cybercrime and financial fraud, Products such as ICT security (firewall, anti – virus, spam filters) and data storage or special banking software have significant market potential. From this perspective, the greatest potential can be realized in the retail and public sectors – governmental authorities, schools and public areas. More detail is given to this sector in a separate market brief on the computer industry.

Additional growth possibilities exist in products such as explosives and metal detectors (X-Ray, handheld), residential alarms, forensic equipment, perimeter protection systems, fire – related protection and work-wear protection.

Statistical Data on the Austrian Security and Safety Equipment Market

Unit: USD millions

	2010	2011 (estimated)	2012 (estimated)	2013 (estimated)
<b>Total Market Size</b>	400.6	421.6	438.5	455.6
<b>Total Local Production</b>	366.7	386.0	401.4	417.1
<b>Total Exports</b>	191.7	201.8	209.8	218.0
<b>Total Imports</b>	225.5	237.4	246.9	256.5
<b>Imports From U.S.</b>	4.1	4.3	4.5	4.7
<b>Ex. Rate: 1 USD</b>	€0.72	€0.72	€0.72	€0.72

Data Sources: Statistik Austria and estimates

**BARRIERS**

Within the safety and security sector there are no non-tariff barriers for U.S. companies entering the Austrian market.

## TRADE EVENTS

There are no trade oriented security fairs in Austria at present time. Several small exhibitions within the area of “Safety at Work” or “IT Security” are being organized on a regional basis. All representatives of Austrian safety and security firms regularly attend one of the world’s largest security fairs:

Name of event: Security Essen

Date: September 23-26, 2014

Location: Essen, Germany

English language website: <http://www.security-messe.de/en/security/index.html>

Description: Global, biennial trade fair for security and fire protection technology.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

- Country Commercial Guide (CCG) 2012 – Doing Business in Austria  
The CCG 2012 presents a comprehensive look at Austria’s commercial environment, including economic, political and market analysis.
- Country Commercial Guide (CCG) 2012 – Doing Business in the European Union
- Austria: Safety and Security Market Brief 2010

## U.S. COMMERCIAL SERVICE CONTACT INFORMATION

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## Belgium

Capital: Brussels  
Population: 10.43 million  
GDP: \$ 413.7 billion  
World ranking: 32  
Currency: Euro  
Language: Dutch, French, German



### SUMMARY

Security has become a critical concern for both political authorities and citizens. The Belgian market for safety and security equipment and services has grown significantly in recent years. The growing feeling of insecurity and the presence of several international organizations and embassies have increased the demand for sophisticated security equipment and guarding services. Interest has been rising due to continued threats that have increased security awareness, and a strong emphasis has been placed on counter-terrorism, homeland security, transportation, and critical infrastructure protection. This awareness, however, reduced significantly with the onset of the economic crises. Nowadays, the awareness of the necessity for safety and security services has changed into a more economic money-saving view because the current crisis put budgets under pressure.

### MARKET ENTRY

U.S. exporters can penetrate the Belgian market through importers/distributors, wholesalers or specialized retailers, depending on their products and their company size. Interested U.S. exporters will have to focus on innovation, quality and competitive pricing to successfully penetrate the market.

### CURRENT MARKET TRENDS

According to the Belgian police activity report of 2011 the most frequently used security measures are those against burglary and hold-ups, used by 81% of the companies in Belgium; outside surveillance systems (48%); inside surveillance systems (46%); and measures against fraud (35%).

In 2011, crimes in Belgium accounted for 1.081.477, which is an increase compared to the number of registered crimes in 2010 (+ 3%). For 2012, only statistics for the first semester are available so far. Compared to the first semester of 2011; 5.5% less crimes are registered in the first six months of 2012 (527.750 registered crimes in the first semester of 2011 compared to 498.946 crimes in the first semester of 2012). Housebreakings remain problematic, with

an increase of 10.8% in the first semester of 2012 compared to the same period in 2011. Housebreakings and burglaries are outlined as an absolute priority in the National Safety Plan 2012-2015 developed by the Administration of the Minister of Justice.

**Safety and Security Products:**

The Belgian market for security equipment is largely an import market, where approximately 90% of the equipment is imported from neighboring countries. Safety apparel is often fabricated in Belgium while safety related equipment is imported from other countries, including the U.S.

**Safety and Security Services:**

The responsibilities of the police and the private security are clearly divided. A law defines the scope of the market for security firms. Private security firms have taken over some of the non-essential responsibilities from police forces. The three most common safety and security services in Belgium are surveillance, investigation and consultation. Combined, more than 800 companies offer security services, of which 28 are authorized to offer alarm central services and more than 1000 private detectives are authorized to work in Belgium. Currently, around 200 companies are authorized to carry out guarding services. Due to the strict regulations, the strong presence of the major existing companies, and the decreased perception of risk, little probability of success is expected for new U.S. companies wanting to offer these services on the Belgian market

**Key Applications**

Information Assurance (IA) and Cyber Defense (CD) are very new issues in Belgium. Much like NATO and the rest of Europe, Belgium is in its infancy in terms of Cyber Defense and Information Assurance awareness. NATO has set forth new Information Assurance standards. The member states are responsible for implementing these new practices, standards and technologies. U.S. companies interested in supplying IA products and services to Belgium should track NATO standards as it tries to achieve a common level of security throughout the organization. Conversely, NATO has yet to come up with a detailed Cyber Defense plan. NATO and Europe for the most part have yet to fully grasp the scope of these fields. The IA and CD markets are in the early stages.

**MAIN COMPETITORS**

**Safety and Security Products:**

Large players are companies such as Altran, Amper, ASD, Atos Origin, Avio, BAE Systems, CEA, Conceptivity, Corte, D'appolonia, DCNS, EADS, Engineering, Edisoft, FOI, Fraunhofer, G4S, HAI, IBM, INDRA, IVECO, KEMEA,

L-3 COMMUNICATIONS UK, MORPHO, MULTIX, RAPISCAN, RAYTHEON, Selex SI, Siemens, Smiths Detection, Saab, STM, Teletron, Thales, TNO, Vitec.

### **Safety and Security Services:**

The three largest companies dominating the market for safety and security services with a market share of 90% are Securitas, Seris and G4S.

### **CURRENT DEMAND**

According to the BVBO the yearly consolidated revenue in safety and security services accounts for around euro 600 million. In general profitability is under pressure due to the economic crisis resulting in price erosion which in turn corrodes investments in human capital and thus quality. The valuable transport sector seems to escape this decrease in profitability.

Nevertheless growth was accounted for in the banking sector (+12%), wholesale distribution (+12%) and in the transport sector (air and sea transport, ports and railway stations) with 15%. The market in government procurement, telecommunication and industry remained stable while the market for event monitoring decreased with 11%.

The tendency towards an increased outsourcing from safety and guarding will continue and further growth is possible through a stronger cooperation between public and private security.

According to UNIZO (the largest Belgian association for one-person companies to medium-sized enterprises) small and medium sized companies invested significantly more in security en video surveillance during the first semester of 2012.

The market for intrusion detection and burglar alarm systems is quite competitive. In addition to the other rapid technical changes and developments in this sector, the switch from analog systems to IP also provides an opportunity in this market.

For the electronic access control systems and door/entrance solutions the prolonged recession is expected to be a catalyst for growth as the financial pinch can result in increased instances of theft, break-ins, shop-lifting and white-collar offences.

IT Security is seen as a growing market. The awareness of the risks coming along with the worldwide web is rising, which is an opportunity in this growing market.

## TRADE EVENTS

Name of event: Infosecurity.be

Date: March 20-21, 2013

Location: Brussels Expo

English language website: <http://www.infosecurity.be/en/Bezoeker.aspx>

Description: This trade fair offers ICT professionals an overview of the latest security technologies, products and services.

Name of event: SECURA 2013

Date: March 20-22, 2013

Location: Brussels

English language website:

[www.easyfairs.com/events\\_216/secura2013\\_23027/secura-brussel-2013\\_23032/](http://www.easyfairs.com/events_216/secura2013_23027/secura-brussel-2013_23032/)

Description: This is the biannual business fair in Belgium for Safety and Security products and services. It is held every two years and featured approximately 200 exhibitors in 2011.

Name of event: INFOPOL 2013

Location: Kortrijk

Date: May 23-25, 2013

English language website:

[www.kortrijkxpo.com/en/calendar/calendar/?tx\\_pxbeurzen\\_pi1%5Bbn%5D=25](http://www.kortrijkxpo.com/en/calendar/calendar/?tx_pxbeurzen_pi1%5Bbn%5D=25)

Description: International biannual trade fair for the equipment for police, surveillance and security services

Name of event: Information Assurance Symposium

Date: September 17-20, 2013

Location: Supreme Headquarters Allied Powers Europe (SHAPE)

English language website: <http://www.infosec.nato.int/events/symposium>

Description: U.S. companies interested in selling IA and CD products and services to Belgium would do well to attend the annual NATO Information Assurance Symposium (NIAS). It will be possible to educate NATO and visiting Ministry of Interior and Defense officials from member states and allied countries.

## U.S. COMMERCIAL SERVICE CONTACT INFORMATION

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## Brazil

Capital: Brasilia  
Population: 190 million  
GDP: \$ 2.282 trillion  
World ranking: 6  
Currency: Reals (BRL)  
Language: Portuguese



### SUMMARY

Brazil has an extensive and well-developed security market that has consistently registered an average annual growth of 15-20% with annual sales around the US\$24 billion. Brazil's preoccupation with personal security has increased the demand for security equipment and services. Brazil's public safety and security market is expected to continue growing in 2012. The market for electronic security equipment is estimated at US\$1.5 billion. According to a study compiled by the Brazilian Association of Electronic Security Companies (<http://www.abese.org.br/>), the electronic security market has registered average annual growth rates of 21% for several years, and is expected to continue at this pace for some time.

### MARKET ENTRY

To be successful in Brazil, U.S. manufacturers must either be established in the country or have a well-informed local representative. It is also important to have a distributor or system integrator that can offer after sales and maintenance services, replacement parts and repairs.

When signing an agent or distribution contract with a Brazilian firm, it is important to use the services of local law firms that are familiar with Brazilian legislation. Commercial distribution contracts are regulated by general Brazilian commercial laws and not by specific legislation; however, there is special legislation that regulates the relationship between a foreign company and Brazilian agents or sales representatives. According to this legislation, if an agency contract is broken, the monetary compensation owed by the U.S. party usual favors the local agent.

Due to the size of the country, most distributors and system integrators cover only specific regions. They are usually small to medium-sized companies that lack financial capability to invest heavily in product promotion, technical training, and translation of technical manuals; therefore, it is important that the U.S. company considers providing financial support for some of these activities. U.S.

companies who have seen the greatest successes in Brazil have worked closely with their agents and distributors, investing heavily in market development, product promotion, and personnel training.

### **CURRENT MARKET TRENDS**

The Brazilian government will also invest heavily in high tech equipment to provide adequate security for the 2014 World Cup in Brazil. The Brazilian federal government will be in charge of managing World Cup security, and anticipates that there will be numerous investment opportunities for security improvements for the Games and the host cities. As with the Pan American Games, the Ministry of Justice's National Secretariat of Public Security (NSPS) will be responsible for the World Cup security program.

They will begin planning the security program early, due to problems with late security implementation in the 2007 Pan American Games. According to local trade contacts, the Brazilian government does not have specific technical standards or requirements for electronic security equipment; however, U.S. equipment, with U.S.-issued certifications, is more widely accepted by high-end clients (such as financial institutions and some industrial and commercial establishments).

Technical literature must be translated into Portuguese. Although there are no official regulations and technical standards for electronic security equipment, ABESE issues sector-specific certification called the Yellow Stamp of Quality. The certification is issued by ABESE to companies in the electronic security sector, including manufacturers, distributors, and service companies.

### **MAIN COMPETITORS**

GRABER – Soluções Integradas; G4S; VIP Security; Surcom Internacional Importação e Exportação; Sectra; Montrel SMH Sistemas; Sanlia Tecnologia; Secur; Meta Telecom Comercial; Securiton; Spark Controles; Semaseg

### **CURRENT DEMAND**

Best prospects for U.S. companies include access control, CCTVs, alarm systems, surveillance technology, drug and explosive detectors, metal detectors, fire prevention and detection systems, cellular telephone blockers, biometrics, and home security equipment. Financial institutions are the market's main end-users, spending approximately US\$1 billion per year in security equipment and services. This is the most sophisticated consumer niche, demanding quality, warranty and after-sales service. Port and airport security is another high-quality segment, which although they have continuously implemented improved security measures, should continue to offer excellent opportunities for U.S. suppliers.

Despite decreasing but still alarmingly-high crime rates, Brazilian government officials are confident that dozens of the thousands of police and hi-tech equipment will provide adequate security for the 2014 World Cup and subsequently for the Olympics Games 2016. Based on the security investment for the Athens, Sydney Olympic Games and Beijing, Brazil expects to invest \$1.4 billion for security of the World Cup and Olympic venues.

## **BARRIERS**

Security equipment acquisition programs tend to move at a much slower pace in Brazil than in some other parts of the world. To conduct business with the Brazilian Security Entities, companies must be prepared for long and often disputed campaigns. Having a local office or a trusted local representative with extensive contacts and a clean record is very helpful and often considered essential for success in the Brazilian market. U.S. companies must also actively seek the support of the Ambassador, Defense Attachés and the U.S. Commerce Department (which has five offices in Brazil).

## **TRADE EVENTS**

Name of event: LAAD Defence and Security 2013

Date: April 9–12, 2013

Location: Rio de Janeiro

English language website: <http://laadexpo.com.br/english/>

Description: LAAD reaches the 9th edition as the most important exhibition for the sector in Latin America. The biennial event brings together Brazilian and international companies specialized in providing equipment, services and technology for Armed Forces, Police Chiefs, Special Forces and corporate security managers.

Name of event: ISC Brazil

Date: April 16–18, 2013

Location: São Paulo

English language website: <http://www.iscexpo.com.br/en/>

Description: ISC is one of the largest security trade fair of the world. In Brazil, ISC is regarded as being the main event in terms of generating business opportunities, information, and for spreading a preventive culture to the sector.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

ABESE – Brazilian Association of Electronic Security Equipment

<http://www.abese.org.br/>

ASIS International, Brazil Chapter

<http://www.asisbrasil.org.br/>

ABSEG – Brazilian Association of Security Professionals

[www.abseg.com.br](http://www.abseg.com.br)

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Bulgaria

Capital: Sofia  
Population: 7.03 million  
GDP: \$ 101 billion  
World ranking: 70  
Currency: Lev  
Language: Bulgarian



### SUMMARY

Bulgaria is an external EU border and the country is expected to join the Schengen area in 2013. This is one main reason why safety and security remains an important issue for the Bulgarian government and businesses in 2012. The Bulgarian Ministry of Interior together with the Ministry of Finance, Customs Agency, and Border Police are looking for ways to improve and strengthen management of external borders and to fight and prevent organized crime and terrorism.

Combating multiple threats such as trafficking of people, drugs, money laundering, and terrorism are some of the most serious forms of organized crime, which are and will continue to be addressed by the government of Bulgaria in the short to medium term in coordination with procedural and financial progress support of the EU.

Other specific threats to be addressed are of cross-border importance, which all Ministries in Bulgaria will be addressing are cybercrime and disasters. Europe and more specifically Bulgaria, being EU external border is a key target for cybercrime because of its advanced Internet infrastructure, high number of users, and its internet-mediated economies and payment systems. Citizens, businesses, governments and critical infrastructure must be better protected from criminals who take advantage of modern technologies.

In January 2012 Bulgaria joined 21 EU countries and signed (conditionally) the Anti-counterfeiting Trade Agreement (ACTA), which will have to be enforced by the Council of Ministers and Parliament. Its major role will be combating counterfeit of goods and Intellectual Property Rights protection. Bulgarian authorities have made the decision to halt the already signed agreement after street protests.

In 2010 Ministry of Interior introduced the 112 disaster response system, which will have to be integrated at a later stage with the overall EU disaster response

system, prevention policies and legislation. By now the system has been improved and used very effectively.

## **MARKET ENTRY**

Market entry of safety and security equipment and services in Bulgaria is liberal and concurs with EU-directives.

## **CURRENT MARKET TRENDS**

Current safety & security projects include, but are not limited to, improvement and upgrade of public safety and traffic safety, timely response to disasters and introduction of intelligent transport systems management.

The cities of Sofia and Varna completed projects for video surveillance in the central areas and other sensitive zones, including traffic safety and public safety. Video surveillance was launched in Varna, using 229 cameras, monitoring pedestrian areas, major crossings, and traffic safety.

The system launched was the first big scale monitoring system introduced in Bulgaria. Two other cities, Blagoevgrad and Lovech, have partially developed a video surveillance system.

The central area of Sofia is already under video monitoring, and the project will be extended to public schools and kindergartens. The public institutions under video surveillance are expected to reach approximately 140 at the final stages of the project. The number of installed cameras in the schools varies from 6 to 12. The network is gradually extended to other main boulevards, streets and entrance points in the city.

Other cities are considering the opportunity to build CCTV systems. Remote control systems and information systems, including monitoring of the traffic lights, street lights, and flood control were installed in some cities and similar projects will be considered in the future.

Besides video surveillance, demand is high for access control and perimeter security systems.

## **MAIN COMPETITORS**

Main competitors to US companies are all major European and some Chinese companies.

Local production is limited to parts and accessories for telephones and installations, metal detectors, safe deposit boxes, intercoms, sirens, control panels, control alarm systems, electronic locking systems for elevators; electronic locking systems for external doors inputs, TV systems for day/night

surveillance, systems for perimeter and outside perimeter guarding, cameras and lenses, communication cables, fire detectors, equipment and parts for access control, signaling devices and production of protective clothing with special purpose – fireproof, antistatic, water and oil-proof, wind-proof and aggressive-proof. There is low local production in electronic security equipment, due to lack of investment in research and development of new technology.

The private security sector is represented mostly by Bulgarian companies providing centralized security services by means of technical equipment via monitoring-centers and vehicle patrols, physical security, convoy of valuables and dangerous loads; delivery, installation and support of security systems. The number of companies, operating in the safety and security sector is around 1000, including guard/personal security services and surveillance agencies, 90% of them are small- and medium-sized companies. Most of the companies are service providers and do not directly acquire security equipment.

NAFTSO is a non-profit association and incorporates Bulgarian trading companies that provide security services. NAFTSO incorporates members - companies that provide security services. The members of the Association employ more than 22,400 people (31.3 % of the employees at the private security sector) and their turnover for the year 2011 exceeded \$229.9 million (38% of the market). The number of guarded and secured sites exceeds 167,500. The majority are secured by centralized security system, and over 4220 are provided with guards. More than 60% of the commercial banks registered in the Republic of Bulgaria avail themselves of the cash collection services offered. The Association is a member of the Confederation of European Security Services (CoESS).

## **CURRENT DEMAND**

In efforts to join the Schengen Area the Bulgarian government must develop projects to upgrade control on the EU's external borders and to integrate its system with the Schengen Information System (SIS). Years ago the EU pre-accession program PHARE allocated funds for the modernization of the Border Police equipment, but further upgrades are required.

Best prospects include X-ray scanning equipment, MR type of equipment, infrared mobile and stationary equipment, IP video surveillance, on site field testing, access control equipment, CCTV, laboratory equipment, ID security application equipment, new IT and high tech equipment, programs and related services.

The growth in the safety and security equipment and services sector in Bulgaria is determined by the demand for new investments by financial institutions,

airports, large industrial groups, multinational corporations, real estate companies, shopping centers, and retail chains.

## **BARRIERS**

US companies should be able to review publicly available Department of State Documents, reporting on any barriers and contact ITA/MAC offices of the Department of Commerce for more information.

## **TRADE EVENTS**

Name of event: Safety & Security exhibition and seminar

Location: Inter Expo Center (IEC), Sofia

Date: March 6-9, 2013

English language website: [www.bcci.bg/fairs/security](http://www.bcci.bg/fairs/security)

Description: International specialized exhibition for security systems and communications, control and monitoring of facilities, fire alarm and fire extinguishing equipment, emergency and safety vehicles.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Ministry of Finance, State Agency Customs – [www.customs.bg](http://www.customs.bg)

Ministry of Interior – [www.mvr.bg](http://www.mvr.bg)

Ministry of Transportation – [www.mtirc.government.bg](http://www.mtirc.government.bg)

Bulgarian Chamber of Commerce – [www.bcci.bg/fairs/security](http://www.bcci.bg/fairs/security)

Bulgarreklama Agency – [www.iec.bg](http://www.iec.bg)

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Canada

Capital: Ottawa  
Population: 35 million  
GDP: \$ 1.765 trillion  
World ranking: 15  
Currency: Canadian Dollars (CAD)  
Language: English Only 68.1%, English and French 17.5%, French Only 12.6%, neither English nor French 1.8%



### SUMMARY

Canada's commitment to the safety and security of its citizens as well as its commitment to fighting crime and terrorism has stimulated a large demand for security and defense products. The increasing importance of security in day-to-day business operations has generated new security challenges for corporations and government across all industries. The skill of identity thieves, industrial spies and other intruders to out-smart existing security technologies has forced the Canadian public and private sectors to update and purchase new security systems with increased regularity to provide leading-edge security solutions.

The United States and Canada have the largest bi-lateral trade relationship in the world. In 2012 the United States trade balance consisted of exports totaling \$270 billion and imports of close to \$300 billion. The defense and security market in Canada is primarily made up of the Department of National Defence (DND), Royal Canadian Mounted Police (RCMP), Canada Border Services Agency (CBSA), Correctional Services Canada (CSC), Ontario Provincial Police (OPP), and other municipal police services. In 2011, these Canadian government entities spent close to \$8 billion on defense and security (75% domestic expenditures and 25% foreign). Exports from the United States in the defense and security market to Canada totaled \$545 million in 2011, amounting to 30% of the total foreign expenditure in defense and security in Canada. *Canada's Cyber Security Strategy* budget has doubled to \$245 million over 5 years due to the increase in cyber attacks on as government agencies as well as private corporations. Cyber security remains one of the largest security issues in Canada in recent years and continues to pose a large threat to national security.

### MARKET ENTRY

Advanced security technology developed in the United States has allowed U.S. firms to offer products that are more efficient and often superior to comparable Canadian equipment. The need for security solutions that require the integration

of innovative and existing technologies and equipment will fuel the demand for increasingly sophisticated equipment. The United States is recognized worldwide as a leading contributor to the advancement of defense and security solutions. The U.S. companies engaged in this industry are well positioned to take advantage of the increase in demand for defense and security products. U.S. manufacturers of defense and security products wishing to enter Canadian market should engage an agent/representative in Canada to establish a Canadian presence. The U.S. Commercial Service can assist U.S. organizations in identifying the right partners in Canada.

## **CURRENT MARKET TRENDS**

Industry sources report the size of the Canadian market for security products and services to protect commercial buildings and facilities is predicted to grow 1% to 2% yearly over the next 20 years with close to \$500 billion dollars in total defense and security spending. Cyber attacks on government and private companies have increased over the last decade and many experts believe that this will continue to be a major threat to national security. The demand for updated and state-of-the-art security products will increase yearly due to the amount, and sophistication of the cyber attacks being launched on Canada's government and private corporations.

## **MAIN COMPETITORS**

In Canada, there are roughly 2,000 firms directly engaged in the defense and security market. Databases such as the [Canadian Association of Defence and Security Industry \(CADSI\)](#) outline many of those companies currently operating in the industry.

## **CURRENT DEMAND**

The Canadian defense and security industry is very interested in cyber security and its pervasive impact across economy and security spectrums. Canada's increased need for cyber security is an area that is of the highest importance in the Canadian security industry. This is an item that has attracted global attention and a lot of work is happening within Canada's own government. Canada also has a renewed interest in arctic management, environmental safety and protecting its sovereign interests in the North. Emergency preparedness for domestic natural disasters (forest fires, ice storms, and floods) is also on the priority list. The Government of Canada recently announced a commitment to allocate \$240 million to rebuilding the Canadian military (land, sea and air forces) and strengthening military capability under the Canada First Defence Strategy (CFDS).

## **BARRIERS**

Canada offers one of the most open, accessible and transparent public sector markets for U.S. goods and services. The United States is well positioned to increase market presence given the growing demand for more specialized security products. U.S. companies looking to expand into the Canadian marketplace must abide by the International Traffic in Arms Regulations (ITAR) and exports of certain U.S. security and defense products must first be authorized by the U.S. State Department before any export may take place. The U.S. Government controls the export of sensitive military and security equipment to protect its citizens as well as follow foreign policy guidelines. It is important for exporters to be knowledgeable about possible restrictions and proper procedures in exporting products to Canada.

Under NAFTA, a company is not charged duties or tariffs when exporting U.S. manufactured goods.

Canada requires bilingual labeling (English and French) for most products. Bilingual designation of the generic name on most prepackaged consumer products is required by the federal Consumer Packaging and Labeling Act. Under this Act, the following information must appear on the package/label of a prepackaged consumer goods sold in Canada: Product Identity Declaration; Net Quantity Declaration; and Dealer's Name and Principal Place of Business.

CBSA also requires an indication of the country of origin, such as "Made in the USA" on several classes of imported goods and on all printed matter. Canadian regulations require that declarations of net content of all packaged consumer goods be stated in metric units in both English and French, although imperial units may also be shown.

The Competition Bureau, Fair Business Practices Branch of Industry Canada provides an on-line tool intended to assist you in meeting the labeling requirements of federal legislation: <http://cb-bc.gc.ca/epic/internet/incb-bc.nsf/en/home>.

## **TRADE EVENTS**

Name of event: Canadian Technical Security Conference

Date: April 22-25, 2013

Location: Ottawa

English language website: <http://www.pdtg.ca/CTSC001.htm>

Name of event: Port Security Conference of Canada

Date: May 15-17, 2013

Location: Westin Hotel, Ottawa

English language website: [www.portsecure.ca](http://www.portsecure.ca)

Name of event: CANSEC 2013

Date: May 29-30, 2013

Location: CE Centre, Ottawa

English language website: <https://www.defenceandsecurity.ca/>

The U.S. Commercial Service is offering matchmaking for attending companies.

Name of event: World Conference on Disaster Management

Date: June 23-26, 2013

Location: Metro Toronto Convention Centre, Toronto, Ontario

English language website: <http://www.wdcm.org>

Name of event: DEFSEC Atlantic 2013

Date: September 4-6, 2013

Location: Cunard Centre & Pier 21, Halifax, Nova Scotia

English language website: <http://www.defsecatlantic.ca>

The U.S. Commercial Service is organizing a U.S. Pavilion and matchmaking services for attending companies.

Name of event: U.S./Canada Border Conference

Date: September 10-11, 2013

Location: Cobo Center, Detroit, Michigan, USA

English language website: [www.beyond-border.com](http://www.beyond-border.com)

Name of event: SecureTech

Date: October 29-30, 2013

Location: Ottawa Convention Centre, Ottawa

English language website: <https://www.securetechcanada.ca>

The U.S. Commercial Service is organizing a U.S. Pavilion and matchmaking services for attending companies.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Contact the U.S. Commercial Service in Canada for a copy of the Country Commercial Guide.

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Chile

Capital: Santiago  
Population: 17 million  
GDP: \$ 250 billion  
World ranking: 45  
Currency: Chilean Pesos (CLP)  
Language: Spanish



### SUMMARY

The safety and security industry in Chile grew approximately 14% during 2012 and according to industry contacts the same growth is expected for 2013. The market share for 2012 imports was: China 32%, followed by the United States with 24%, and Germany with 5%. Chile's overall GDP for 2012 was US\$ 250 billion. Inflation for the same period reached 3.5%. Estimate growth for 2013 is 5.5%.

The incidence of terrorist activity and civil disturbance is low in Chile. In 2012, there were occasional incidents of vandalism of storefronts and public transport during student protests over education reform, some of which included violent incidents. Since 2007 Chile has experienced a number of small-scale bombings targeting mostly banks. There have also been violent incidents in farms and forestry plantations in southern Chile, related to land claims of indigenous people (the Mapuche Native American group) in the VIII and IX Regions.

### MARKET ENTRY

United States products in the safety and security industry sector have a strong presence in Chile, due to U.S. longstanding reputation for quality, technical service, and after-sales support, which offset the perception of U.S. products being more expensive.

Establishing a local subsidiary or branch office in Chile is recommended for a U.S. exporter expecting a large sales volume and/or requiring local service support or localized inventory. Any corporation legally constituted abroad may form, under its own name, an authorized branch in Chile. Another practical and more common market entry strategy, especially for new-to-market exporters, is to appoint an agent or representative with good access to relevant buyers and solid technical expertise.

Depending on the product or service, price can be the key sales factor in Chile. Price-competitive products from places such as Taiwan, China, India or South

Korea often outsell more expensive European or U.S. products, especially in consumer product categories such as electronics, appliances and automobiles.

### **CURRENT MARKET TRENDS**

There are two distinct categories in Chile for this industry: a) Companies that are interested in meeting and exceeding quality of security standards therefore request certified goods with technical support, and b) companies governed by the price factor.

Due to the Chile's economic and political stability, there is investment growth in many industry sectors directly impacting the safety and security industry, such as construction, infrastructure, mining, etc. Also, increased awareness of protection as a means of prevention will maintain the growth of this industry. The prison system restructure is still underway. One of the solutions that may be implemented in the near future is the electronic-bracelet program. At the residential, commercial, and industrial levels there are construction projects underway and new investments and expansion projects expected for the coming years. Also, the current administration continues to assign a high priority to crime reduction. ATM machine robbery, vehicle theft, and store break-ins at night continue to be frequently reported. Chile's northern border protection is also an ongoing project that may call for new purchases in the coming months.

The firefighters require equipment and personal safety gear on a regular basis. The firefighting head organization in Chile is the Junta Nacional de Bomberos, (National Council of Firefighting Corps). It was founded in 1970 and groups 306 corps, with some 1,100 companies (stations) throughout the country. At present, it operates with approximately 39,000 volunteers with no salary. Moreover, depending on the budget of its station, they may have to buy their own protective gear. It is not uncommon to find firefighters in the street conducting their own fund raising campaigns.

### **MAIN COMPETITORS**

The United States basically competes with China with over 40% of the market each. These figures include security equipment and devices used in the construction of residential, commercial, and industrial compounds, firefighting, and safety devices. China's market share can be explained both by the price factor and the China-Chile Free Trade Agreement, enacted two years after the US-Chile FTA. However, if considering only the imports of firefighting trucks, the United States has 46% of the market followed by Brazil with 8%, and Japan 6%.

## CURRENT DEMAND

Access control, biometric equipment, parking systems, fire detectors, sprinklers systems, extrication equipment, firefighting suits, fire trucks, alarms and monitoring, CCTV, outdoor perimeter protection, locks and safes, sensors, vehicle protection devices, safety gear for industrial use, and scanning equipment for drug detection.

## BARRIERS

There is a U.S.-Chile Free Trade Agreement in place since 2004, by which the vast majority of U.S. products enter Chile with zero import duty, provided a U.S. Certificate of Origin is presented to the local Customs authorities. The 19% Value Added Tax (VAT) over the CIF value of the goods does apply for all imports. Chile generally has few barriers to imports or investment allowing, in most cases, foreign firms to enjoy the same protections and operate under the same conditions as local firms. Prohibited imports include: industrial waste, used vehicles, and used buses.

## TRADE EVENTS

Name of event: Fidae

Date: March 25-30, 2014

Location: Santiago

English language website: [http://www.fidae.cl/portal\\_fidae.aspx](http://www.fidae.cl/portal_fidae.aspx)

Description: International Air and Space trade fair.

Name of event: Expomin

Date: 2014

Location: Santiago

English language website: <http://www.expomin.cl/index.php?idi=11>

Description: International Mining trade fair.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

2013 Safety & Security Industry Overview

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## China

Capital: Beijing  
Population: 1.343 billion  
GDP: \$ 11.29 trillion  
World ranking: 3  
Currency: Renminbi yuan (RMB)  
Language: Standard Chinese or Mandarin  
Putonghua, based on the Beijing dialect),  
Yue (Cantonese), Wu (Shanghainese),  
Minbei (Fuzhou), Minnan (Hokkien-Taiwanese),  
Xiang, Gan, Hakka dialects, minority languages



### SUMMARY

China's safety and security market exceeded \$4.12 billion in 2011. As one of the world's fastest growing economies, China is undertaking numerous, large-scale projects including airports, sports stadiums, and metro systems that will require extensive security systems. In addition, municipalities are installing emergency response systems to improve security and bolster response times. On a consumer level, China's growing middle class is demanding high-quality, residential security equipment and services. Before selling in China, U.S. exporters need to be aware of Chinese certification requirements, as well as potential U.S. export controls. Overall, the sector is expected to maintain rapid growth and create export opportunities by expanding to an estimated \$8.5 billion by 2015.

### MARKET ENTRY

U.S. exporters may need to be aware that with the China Rule and Tiananmen Sanctions, US sellers are prohibited from certain sales to China's military and law enforcement. Much depends on which specific products the companies are selling to China, as well as the end user. We recommend that U.S. exporters check with the Bureau of Industry and Security ([www.bis.doc.gov](http://www.bis.doc.gov)) to clear the export control issue first.

### CURRENT DEMAND

The safety and security sector remains a highly-regulated industry in China. In most cases, when local safety and security engineering companies win tenders for large projects, they need to import equipment and technology. U.S. exporters should look for opportunities to provide products and to partner with Chinese

engineering firms that often have strong connections with the Chinese Government.

## **BARRIERS**

Some products may need different certifications and/or registration from the Chinese side such as China Compulsory Certification (CCC mark).

## **TRADE EVENTS**

Name of event: Shanghai International Disaster Reduction and Security Exhibition 2013

Date: October, 2013

Location: Shanghai

English language website: <http://www.sidrschina.com/>

Description: China today is one of the largest and fastest growing markets in the world for safety & emergency services products. Given the influx of foreign direct investment and government policies aimed at enhancing safety across the country, China presents a very lucrative market which is growing at a compounded annual growth rate of more than 20%. Safety for its cities and its society is high on governments' agenda. In addition, China's growing middle class is demanding high-quality, easy-to-install residential security equipment and products.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

None

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## Colombia

Capital: Bogota  
Population: 45.23 million  
GDP: \$ 500 billion  
World ranking: 29  
Currency: Colombian Pesos (COP)  
Language: Spanish (official)



### SUMMARY

The demand for security systems and devices is continually growing in Colombia due to security concerns of government, industry and households. Security systems and devices form an integral part of government, business and consumer budgets. The Colombian government has also been focusing policies and providing resources to address security risks in the country, and thereby provide for a safer environment for people and industry. The dramatic improvement in Colombia's security posture since 2002 has had a positive impact on the country's business climate and been a major factor in attracting more investment, tourism and commercial transactions to Colombia.

The market is very diverse and includes: alarm systems, access control devices, information security systems, automatic vehicle location systems, ionization detection devices, armoring, personal protection clothing, surveillance and counter-surveillance equipment, and polygraph equipment.

### MARKET ENTRY

A reliable distributor or representative is crucial to entering the Colombian market. Colombian law does not require foreign firms to secure local representation for private sector sales. However, Colombians prefer to deal with companies that have a local representative to ensure access to after-sales services. The one exception is for sales to the government, which does require foreign bidders to have legal representation in Colombia. Payments are usually in Colombian pesos at the exchange rate of the day of payment and companies can pay vendors and distributors directly. Representatives or distributors work with loans and letters of credit and other financial guarantees. Privately owned institutions buy from national distributors and representatives but also send their buyers abroad to buy from manufacturers and vendors, taking care of all imports proceeds through a Colombian agent. The largest institutions prefer to buy directly from representatives and distributors.

Entering the Colombian market with new technology or new products requires promotion including the following: market exposure at national and international trade shows and expositions; publication in specialized magazines; accurate and complete information provided to specialized and related association(s) and advertising.

**Regulatory Agency:** The regulatory agency overseeing Security equipment is the Superintendent of Industry and Commerce, a government entity that controls and regulates all the activities of the industries and commerce in general. The Tariffs and Taxes Administration (Dirección de Impuestos y Aduanas Nacionales-DIAN) is another government institution in charge of controlling imports and exports and enforcing regulations.

### **CURRENT MARKET TRENDS**

The current market trends are leaning toward the acquisitions of: CCTV cameras, Telephones for security, Reproduction and record devices for security, Data processing equipment, Radio transmission, Armoring companies, Consultancy Firms, Biometric equipment, Communication Jammers, Equipment for Intelligence.

### **MAIN COMPETITORS**

Companies from countries such as the United States, Germany, South Korea, China, and the United Kingdom are competing in the Colombian market through their local representatives for business with private and government organizations that ranges from bids for small and large projects.

### **CURRENT DEMAND**

The Safety & Security market in Colombia is growing approximately at around 4-5% per year. The current market size is estimated 2 billion per year. This is an estimate since in Colombia there are no official data.

### **BARRIERS**

Colombian law does not require foreign firms to secure local representation for private sector sales. However, Colombians prefer to deal with companies that have a local representative to ensure access to after-sales services. The one exception is for sales to the government, which does require foreign bidders to have legal representation in Colombia.

In general the Colombian market is open for competition but sometimes the government contracting law could represent a challenge for foreign companies to adapt to.

## **TRADE EVENTS**

Name of event: Security Fair Colombia

Date: October 9-10, 2013

Location: Bogota

English language website: No website for the show in 2013

Description: The show gathers the most important players in Colombia and internationally on the Safety & Security sector.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

None

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Czech Republic

Capital: Prague  
Population: 10.58 million  
GDP: \$ 264 billion  
World ranking: 44  
Currency: Koruna  
Language: Czech



### SUMMARY

Security equipment and services in the Czech Republic continue to be a top priority for the government. The market for safety and security has grown rapidly in recent years, with annual increases of 9 - 11 percent. This trend is expected to continue and accelerate, as Czech purchasing power increases.

Security equipment needs in the Czech market fall into four categories: military, police, civilian, and EU membership requirements.

- **Military:** The Czech Republic is a NATO member. The Czech Army is fully professional now, but is still undergoing modernization and restructuring. Arms and related equipment require government licenses for trade, which are issued by the Czech Ministry of Trade and Industry.
- **Police:** Transportation security equipment requirements includes imported software and hardware such as: cable systems enabling to check passenger faces at airports; back-scattering, anonymous vehicle radiation controls to check loads for illegal immigrants and contraband products; tire ultrasound measurements to determine if tires are empty or full of illegal goods; camera systems which are used to check the difference between declared and 'real' load, and different types of sensors; detectors for alcohol and drugs; underground detectors to check vehicle weight; and X-rays and VSC (Video Spectral Comparator) for checking documents at borders.
- **Civilian:** The Czech Republic has long been considered a comparatively low-threat area for terrorist attack and ordinary crime, with the exception of car theft and pick-pocketing. Training and services concerning building's security are the main objects at present.
- **EU membership:** The Czech Republic is a full member of the European Union. The EU encourages Czech government officials and agencies to invest more in security, particularly building protection.

## **MARKET ENTRY**

The Czech Republic is geographically small, with population of 10.6 million, and most decision makers are concentrated in the capital city of Prague. The country has a well developed, European-style distribution system and a strong network of professional sales agents and distributors. It is a market where good personal relationships are crucial, and everyone seems to know everyone else. U.S. firms should concentrate first on building a close network of contacts and relationships; this requires face-to-face meetings with the goal of finding and supporting a Czech partner, agent, or distributor. A distributor with an existing distribution system and good network can offer coverage of the entire country. In general, agents or distributors will expect exclusivity. U.S. companies interested in the market should contact the U.S. Commercial Service in Prague.

## **CURRENT MARKET TRENDS**

A strong domestic Czech security industry offers both, less sophisticated security components (iron bars, grilles and doors) and high-tech electronic system components, training, equipment, protection services and products. The market offers high potential for U.S. equipment, especially in the category of up-to-date electronic systems. U.S. firms should seek out Czech agents, distributors and partners, to secure good foothold in the Czech market. The very real threat represented by the rapid growth in social media usage represent growing trend.

## **MAIN COMPETITORS**

The competition in the Czech Republic is strong. Germany is the Czech Republic's largest trading partner. U.S. safety and security products are well known for their quality, good services and a quick delivery terms. U.S. firms will find Czechs to be strong competitors and good strategic partners. The local companies include AXL Electronics, Jablotron, Security Brno, Xena- safety clothing for police, firefighters and ambulance technicians, Eldis Radar Systems, Monitoring RC System, ABBAS, AVG Technologies, and High Security Products. Some Dutch safety products are also present in the Czech market. The best known Dutch competitor is No-wire.

## **CURRENT DEMAND**

Far the biggest demand is shown for computer software, in order to reduce hacker's risks as much as possible. The potential danger of data loss is very real. 'Advanced Persistent Threats' are taken very seriously too. Cloud computing is coming into picture more and more, but Czech Republic is lacking in progress behind the U.S. and Western Europe. Vulnerable web applications are the weak link on the Czech market.

## BARRIERS

They're no trade barriers concerning import to the Czech Republic. As a member of the EU, the 'Weee/RoHs' compliance legislation will have an impact on U.S. U.S. exporters are required to hold an I.I.C. (International Import Certificate) from the importer, in order to get an export permit from the U.S. Department of Commerce. In some cases, the U.S. Department of State approves and issues an export license. Some security products require government licenses for trade, which are issued by the Czech Ministry of Industry and Trade. All Czech companies that import civil security products have to apply for import licenses, and must present a business contract with the foreign exporter. A list of products can be found in English and in Czech at [www.aspi.cz](http://www.aspi.cz). A subscriber fee is charged.

## TRADE EVENTS

Name of event: IDET

Date: May 21-25, 2013

Location: Brno

English language website: [www.bvv.cz/idet/](http://www.bvv.cz/idet/)

Description: The International Fair of Defense and Security Technology, is one of the largest shows of defense technology in Central and Eastern Europe. Exhibitors from 30 countries present their products to international military delegations and professionals from all over the world.

Name of event: PYROS / ISET

Date: May 21–25, 2013

Location: Brno

English language website: [www.bvv.cz/pyros-iset/](http://www.bvv.cz/pyros-iset/)

Description: International Fair for Fire Fighting Equipment and Security Technologies, Pyros is the largest event of this type in Central Europe. Targets Czech Police and companies providing security services and technology.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

Transportation Safety Security / Market research

Safety Security Equipment / Market research

Association of Technical security (Gremium alarms) [www.gremiumalarms.cz](http://www.gremiumalarms.cz)

Association of Private Security Services of the Czech Republic [www.asbs.cz](http://www.asbs.cz)

Czech Certification Office [www.unmz.cz](http://www.unmz.cz)

Ministry of Interior [www.mvcr.cz](http://www.mvcr.cz)

Ministry of Foreign Affairs [www.mzv.cz](http://www.mzv.cz)

Ministry of Trade and Industry [www.mpo.cz](http://www.mpo.cz)

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Denmark

Capital: Copenhagen  
Population: 5.54 million  
GDP: \$ 206 billion  
World ranking: 54  
Currency: Danish Kroner  
Language: Danish



### SUMMARY

The Danish market for safety and security products and services is growing and there are lucrative opportunities for U.S. companies.

### MARKET ENTRY

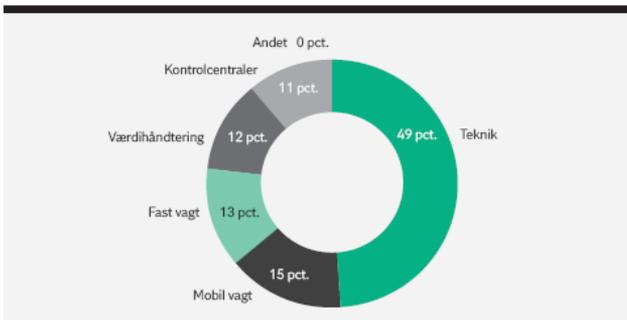
U.S. companies selling safety and security products are recommended to work through local distributors that have experience with public procurement. A safety and security service company will need local representation.

### CURRENT MARKET TRENDS

According to estimates from Statistics Denmark the annual turnover of this industry was 3.2 billion DKK in 2012. This is an increase from 540 million since 2002. The current revenue level reflects the level before the financial crisis of 2008. The industry is quite competitive and public and private customers are very price focused when choosing a security provider.

### MAIN COMPETITORS

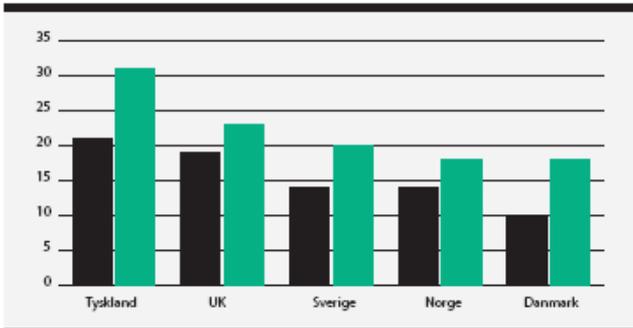
There has been a steady increase in the amount of security providers on the Danish market. The market is characterized by high competition and a high concentration of companies. In 2012, the industry consisted of around 470 companies and employed approximately 10,000 people. The largest companies include G4S, AK-Centralen A/S, Dan Group Alarm Ms ApS, Freeport Security ApS, As Solution A/S, Dan Kontrol A/S, Vip Security Service ApS, KB Vagt A/S, ACTAS A/S and MP Alarm og Låseteknik ApS.



The market is divided into different categories, where ‘Technical’ (49 percent) covers security equipment, etc. and ‘Guards’ (28 percent) covers steady and mobile services. These two categories remain the largest groups. The gross profit of the 40 largest companies in the security industry was 348 million DKK in 2010. The two largest consumer groups are the retail-industry and the government. Collectively this accounts for around 33 percent of the annual turnover for the whole industry – approximately 1 billion DKK.

### CURRENT DEMAND

Although PET (the security and intelligence service) estimates the terror threat in Denmark to be severe, there is a relatively limited market for private protection and security guards. Private customers constitute less than 10 percent of the annual turnover in 2012. The Danish council on criminal prevention however shows that Denmark has the highest burglary rates in Europe per capita in 2012. Due to this, the Danes are becoming increasingly concerned about burglary which has increased the demand for security solutions. The Danish council on criminal prevention explains that the high degree of burglaries in Denmark is related to the lack private security solutions in people’s homes. Below the statistics show how private guards (black) and police officers (green) per 100.000 citizens, is comparatively lower in Denmark than its neighboring countries.



The majority of large companies in Denmark are in industries such as pharmaceuticals, biotech, capital etc., where the need for protection of intellectual property is vast. In 2012 digital security experts from the general industry association - Danish Industry – and the Danish Patent and Copyright Council investigated the area of digital threats. They estimated that Danish companies with production facilities often are very vulnerable to digital attacks and that 6 out of 10 Danish companies do not properly protect their intellectual property. On this background there is a demand for security expertise and counseling in this area.

### BARRIERS

The World Bank Report on doing business ranked Denmark as the fifth most business friendly environment in 2012. With little red tape, doing business in this industry for a U.S. company is estimated to be easy. Note that all imported goods are subject to 25 percent value added tax.

### **TRADE EVENTS**

Name of event: SecurityUser Expo

Date: September 17–19, 2013

Location: Carlsberg TAP1, Copenhagen

English language website: <http://www.securityuserexpo.com/en>

### **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Sikkerhedsbranchen (the Danish Trade Organization for Safety and Security) consists of 300 members and 90 percent of the industry's revenue. The Confederation of Danish Industry also has a subgroup, FAD, the Defence and Security industries Association, and one for Vagt- og Sikkerhedsindustrien (The Guards- and Security Industry).

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# Egypt

Capital: Cairo  
 Population: 84 million  
 GDP: \$ 537.8 billion  
 World ranking: 27  
 Currency: Egyptian pounds  
 Language: Arabic



## SUMMARY

Unit: USD million

	2011	2012 (estimated)	2013 (estimated)
Total Imports	265	316	360
Imports from the U.S.	80	95	108

The Safety and Security market is doing well in Egypt and it is expected that there will be a significant increase in demand over the next few years. Buyers are generally government entities such as the Ministry of Interior, the Ministry of Defense, and the Intelligence Department. The Egyptian government has set an objective to dramatically enhance its safety measures, which will require security upgrades of all the airports, seaports, and public facilities.

The Egyptian market is in need of specialized companies working in the field of security and other related businesses with the most up-to-date security technology available.

The Ministry of Interior is doing its best to create new horizons for investment in security technology within the Egyptian market and to establish advanced industries in this field. Police agencies have the primary goal of keeping abreast of the latest innovations and strive to familiarize themselves with the various companies and corporations working in the field. Companies with a reputation for cutting-edge technologies will have an advantage here.

Although Egypt has always been a price sensitive market, quality is also an important factor, particularly in this field. Because of the quality consideration, the main suppliers to the market are from the following countries: Japan, the United States, the United Kingdom, Germany, Italy and France.

## MARKET ENTRY

The Egyptian market is unique. Interested U.S. firms should have the following qualifications:

- Experience with the various processes and laws/regulations of the Egyptian market.
- Maintain a wide network of public relations within Egypt. It is advisable to have an agent/distributor.
- High technical experience in the field.
- Capability of creating measurable and accurate information flow between the customers and the company.
- Ability to exercise perspicacity and patience.
- Taking a long-term approach to the market rather than look for an immediate return.

Depending on the product demand or procurement stage, there are two methods for approaching a Ministry:

The first approach assumes that the U.S. product is known to the ministries or governmental entities and that they have issued a request for quotation (RFQ). The RFQ is usually circulated to local Egyptian companies which have attained pre-registration and sent it to the Egyptian Procurement Office (EPO) abroad. If so, then the U.S. firm must follow up on the request according to the procurement process announced and prepare a proposal according to the advice of specialists and contacts acquainted with that task.

The second approach assumes that the product is not well known. Hence the U.S. firm should use its contacts and local network to raise awareness about its product. A push strategy campaign should be undertaken with the Ministry, launched by meeting with the proper heads, making presentations, sending follow up letters, and etc., to show the value proposition of the product, including the technical and economic benefits, and how the product will meet security requirements.

## CURRENT MARKET TRENDS

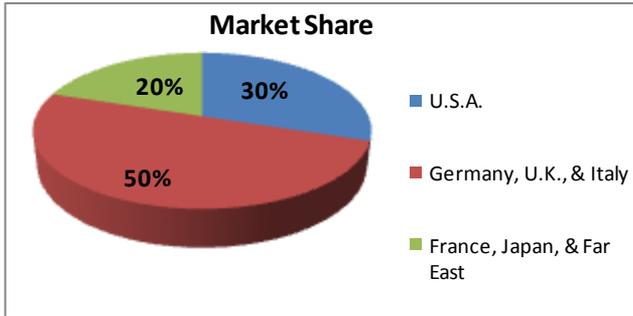
The Egyptian market has always been receptive to U.S. safety and security products especially for walk-through metal detectors, handheld detectors and surveillance C.C.T.V. systems.

Shops, stores, schools and small companies do not generally rely on security equipment. In some cases, safety equipment may be procured, but most

commercial entities are not obliged to install safety and security equipment. However, governmental, industrial, and touristic entities are legally obliged to install certain security systems.

### MAIN COMPETITORS

The U.S. is well known to have state-of-the art technology, particularly in x-ray inspection machines and walk-through metal detectors. Sometimes European companies offer similar technologies without the need for an export license, which impacts the American reputation. Agents and distributors are better positioned to deal with both public and private sector concerns because they have a local reputation for being efficient. Moreover, agents can coordinate all transactions with the buyer, including after-sales service, and are committed to finalizing the transaction to the customer's satisfaction.



German, British and Italian suppliers have captured nearly 50% of the market share in the sale of complete lines of equipment in Egypt. This is attributable to the fact that they operate through Egyptian agents, instead of trying to operate on their own. The remaining 20% is distributed among Japan, France and the Far East. The U.S. market share is about 30% (nongovernmental).

Overall imports in the sector are estimated at about \$316 million in 2012. Accordingly, there is an expected annual increase of about 10% to 15%. This is mainly due to heightened security awareness. Both government and private sector organizations are reevaluating and upgrading security systems and technologies at all sites.

There are numerous competitive factors. Some of the most vital factors include technological advancement, high quality, and after sale services (low-cost maintenance). U.S. products have a critical price advantage over European products. Currently, the U.S. dollar maintains a better exchange over the Euro for Egyptian importers.

## CURRENT DEMAND

The main products needed are:

- Search and rescue equipment
- Access control & alarm systems
- CCTV and electronic surveillance equipment
- Walk through and handheld metal detectors
- Personal identification (security holograms for identity purposes)
- Firefighting equipment & detecting systems
- Traffic control systems and GPRS
- Electrical signaling
- Bomb detection & jamming equipment
- Uniforms, protective apparel & accessories (industrial)
- X-ray equipment

The market for security sensing and detection equipment is growing in Egypt, as both the Egyptian public and private sectors realize that such equipment enables them to combat security threats more effectively. As a result, prospects for future sales of high quality U.S. safety and security products, particularly sensing and detection equipment, are positive.

## BARRIERS

It is highly recommended that U.S. firms enter the market gradually using a well-established agent/distributor. The U.S. firm should provide their local partners with their literature and purchasing process in a timely manner. Handling the process step by step will allow the U.S. firms to thoroughly complete long-term programs. Although purchasing plans/programs exist from government officials or ministries, these plans are not always carried out regularly to completion or in a timely fashion, and can be changed for various reasons. U.S. firms should be capable of exercising acumen and patience, remain flexible in working through bureaucratic regulations, and aim to apply a long-term approach.

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## El Salvador

Capital: San Salvador  
Population: 6 million  
GDP: \$ 23,054 billion  
World ranking: 98  
Currency: U.S. Dollars  
Language: Spanish (official)



### SUMMARY

The Safety and Security industry in El Salvador represents a growing market for US exporters, as security concerns have become an important factor for private companies, public institutions, and Salvadorans in general. There is no significant local production in El Salvador, making the industry more attractive for US products. US companies need to identify a local agent, representative, or distributor. Selling to government agencies implies participation in public bidding processes.

Sub sectors covered in this report are: intrusion alarm systems, access control systems, CCTV systems, and fire detection systems, among other security related products.

### MARKET ENTRY

To enter the market, U.S. exporters should identify an agent or distributor. In El Salvador agent and distributor relationships are regulated under the Salvadoran Commercial Code. Sales techniques include advertisement in newspapers, brochure distribution, telephone yellow pages, social media, and direct customer sales. US companies are encouraged to support local representative in training for local personnel in installation, maintenance, and after sales service.

US businesses interested in conducting business with Government agencies should also have a local partner. All government purchases are channeled through [www.comprasal.gob.sv](http://www.comprasal.gob.sv), an online portal for all bidding processes. All government purchases are regulated by the Acquisition and Purchasing Law (Ley de Adquisiciones y Contrataciones –LACAP).

Import duties for security equipment and devices vary from 0-15%. All products are subject to an additional 13% value added tax. The Free Trade Agreement between the United States, Central America, and the Dominican Republic (CAFTA-DR), implemented in El Salvador on March 1, 2006, eliminated import tariffs for some goods, while others will be eliminated in 5 to 10 years.

## **CURRENT MARKET TRENDS**

The end users for security and safety equipment are manufacturing plants, office buildings, banks, homes; and the government facilities.

Citizens recognized the lack of resources of the Civil National Police (PNC) to protect property, and have increase the use of alarms and other security devices in personal homes, properties, companies' facilities, etc.

## **MAIN COMPETITORS**

US products are well known and preferred in the Salvadoran market, due to their quality and price. In 2011, US imports increased by 59% compared to 2010. American products comprised 32% of the market in 2010, 42% in 2011. China is the main competitor in the market.

## **CURRENT DEMAND**

The following products offer the best sales potential in the country: burglar and motion alarms, sensors, intrusion detection systems, access control equipment, electronic surveillance, remote monitoring, perimeter security, fire and smoke detection systems and alarms.

## **BARRIERS**

There are no import restrictions for electronic security equipment, CCTV, alarms, metal detectors, x-ray machines, and similar equipment and devices.

The Private Security Companies Law requires that all private security companies and individuals providing alarm monitoring, security, private investigations, custody, transportation of valuables, and guard services have a prior authorization from the Ministry of National Security through the Civil National Police (PNC). The Private Security Service Office at the PNC helps companies and individuals complete the requirements needed to obtain the authorization to operate in El Salvador.

The Arms, Ammunition and Explosive Law requires prior authorization of the Ministry of Defense for the importation of firearms, personal protection pepper sprays, tear (CS) and chloroacetophenone (CN) gases, explosives, electrical shock protection devices and similar products.

Neither the Banking Law nor Private Security Law regulates security standards for the banking industry. The only requirements in the Salvadoran law are regarding minimum security measures at banking facilities, i.e. vaults and safes, fire extinguishers, emergency exits, access locks, alarm systems, etc; which are specified in the Annex 5 of the Financial System Superintendence Regulation.

## **TRADE EVENTS**

There are no local events on the security and safety industry.

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## Finland

Capital: Helsinki  
Population: 5.26 million  
GDP: \$ 194.3 billion  
World ranking: 56  
Currency: Euro  
Language: Finnish



### SUMMARY

The safety and security market was approximately \$2.4 billion in 2011. The market has grown quite continuously for the last ten years and it is expected to continue its steady growth over the next years. Information security products and services, guarding services, and structural security products are the largest sub-sectors. The largest industries contracting security services are the manufacturing industry, real estate and construction, and trade in general.

### MARKET ENTRY

U.S. made safety and security products have a good reputation and are considered to be of high quality. Price and quality are the dominant key buying factors, in addition to compliance to necessary EU product standards, CE marking or other properties and markings that vary according to product categories.

### CURRENT MARKET TRENDS

The public government sector, especially on municipal level, along with private residences are becoming more and more interested in safety and security solutions available in the market which is expected to increase the market demand. This trend is enhanced by public funding cutbacks in law enforcement resources and outsourcing of safety and security related services by private and public entities.

### MAIN COMPETITORS

U.S. companies can expect to be in competition with European and domestic manufacturers fulfilling the requirements for product safety and product standards, and with other third country exporters with approved quality products.

### CURRENT DEMAND

Information security products and services, electronic security systems such as camera surveillance, lock systems and door automation, home security and

personal safety accessories such as burglar alarm systems and fire detection equipment are considered best prospects in the Finnish safety and security market.

## **BARRIERS**

There are no trade barriers for safety and security equipment. The customs duties vary between two to five percent. Products that are imported or exported within the EU must meet product safety requirements, CE mark, and/or other EU product standards, which vary according to product categories.

## **TRADE EVENTS**

Name of event: FinnSec

Date: October 9-11, 2013

Location: Helsinki

English language website: <http://web.finnexpo.fi/en/Pages/default.aspx>

Description: Presents the latest in safety and security industry for the professionals.

Name of event: Safety and Security

Date: September 3-5, 2014

Location: Tampere

English language website:

[http://www.turvallisuusmessut.fi/turvallisuus/sivu.tmpl?sivu\\_id=90](http://www.turvallisuusmessut.fi/turvallisuus/sivu.tmpl?sivu_id=90)

Description: Rescue operations and preparedness planning (fire, chemical-, gas- and radiation accidents), environmental safety, occupational safety, productional and functional safety, crime security and property protection, structural security, security control, personal safety, data security.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Safety and Security Overview 2011

Country Commercial Guide 2012, Safety and Security Sector

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## France

Capital: Paris  
Population: 65.6 million  
GDP: \$ 2.2 trillion  
World ranking: 10  
Currency: Euro  
Language: French



### SUMMARY

The safety and security sector represents 22 different security segments in France, which can be loosely grouped into the following areas: homeland security, electronic security, monitoring, guarding, physical security, health and safety products, fire security and cash in transit. The total market was valued at approximately 20.8 billion Euros in 2011 (the latest published official figures available) with an increase in growth of just +2.1% over the previous year. The industry is described as being in “convalescence” since a particularly difficult year of market contraction in 2009. Growth remained fragile at about +4% in 2011, with slightly less expected for 2012 and down again to only +1.2% predicted for 2013.

The state of the industry is closely linked to the state of the economy. French GDP grew by 1.4% in 2011, around 0.1% in 2012, and is expected to decrease in 2013. The job creation dropped by 1.4% in the industry. Major contractors, largely because of increasing budgetary constraints, have been seeking low cost solutions, putting downward pressure on prices.

### MARKET ENTRY

The market in France is extremely fragmented and competitive, and it is very important to work with a local partner or through a local sales office, which many U.S. firms choose to establish. Some kind of local presence becomes essential when working with government ministries or responding to public tenders.

U.S. equipment and security technologies are well known for their innovation and quality. Imports should remain strong, although competition is extremely severe from both French and third country sources.

### CURRENT MARKET TRENDS

Within the 22 French safety and security industry segments, 16 showed growth of > +1% in 2011, with a global increase in turnover of 4%. Those enjoying the highest growth rates were IT security (+17.1%), homeland security equipment

(+10.8%), private video surveillance (+10.4%) and video surveillance equipment (+9%). Several sectors in difficulty in 2010 have shown an increased activity, such as industrial security equipment (+3.5 instead of -2.8%), retail theft protection (+3.1% instead of -8.8%), physical security products (+0.4% instead of -2.9%) fire protection equipment (+0.1 instead of -2.8%). A spectacular progress of 8.7% in personal protection services was observed after a -13.5% decline in 2010. Personal protection equipment progressed by 3.1%, an impressive recovery after a 0.2% growth in 2010 and a decrease in turnover of -11% in 2009. Some sectors, though, experienced stagnation or decline, such as guarding (-1.7%, dropping for the third year in a row), Security and Counsel Engineering (an unexpected -1.7%), Airport Safety (-0.2) and Fire Safety (stagnating with +0.1%).

## MAIN COMPETITORS

In order of sales turnover, the major security firms operating in France are:

1. Morpho (FR – Safran Group): Anti-terrorism, Access Controls, Network Security
2. Cassidian (FR – EADS): Anti-terrorism, Network Security
3. Sperian Protection (Honeywell Security): Anti-terrorism, Personal Protection Equipment
4. Securitas France: Security Training, Guard Services, Alarm Interventions, Airport Security, Professional Monitoring Services, Residential Monitoring Services
5. UTC Fire & Security France: Anti-Intrusion Alarms, Anti-terrorism, Access Controls, Security Training, Fire Security, Alarm Interventions, Network Security, Professional Monitoring Services, Residential Monitoring Services, Remote Assistance Services
6. Brink's France: Cash in Transit, Guard Services, Airport Security, Professional Monitoring Services, Residential Monitoring Services
7. Thales Communications & Security (FR) : Anti-terrorism
8. Gemalto: Anti-terrorism, Access Controls, Network Security
9. Vinci: Anti-intrusion Alarms, Anti-terrorism, Access controls, Guard Services, Fire Security, Alarm Intervention, Video surveillance
10. Spie (FR): Anti-Intrusion Alarms, Access controls, fire Security, Video surveillance

## CURRENT DEMAND

There are several encouraging elements; homeland security equipment demand is expected to be sustained at about 8-10 percent over the next few years; a far cry from the +20% percent annual growth the segment enjoyed previously but nevertheless strong despite the contraction in government spending.

Demand for residential security monitoring services has been growing steadily from one year to the next, and is considered to have considerable future potential.

IT network security will also remain dynamic (+15% expected), while personal monitoring (for elderly people, for example) and video surveillance systems will continue with stable growth (expectations are 6-7% and 8% respectively).

Municipalities continue to install IP CCTV (Closed Circuit TV) systems to combat crime; nevertheless, a strong downwards pressure on prices is slowing the segment's overall value.

## **BARRIERS**

Even though higher than the 58% (historic low) in 2010, the proportion of companies turning a profit is still only 63.4. In many segments, such as guard services, there are simply too many players, and they are too small to compete in a more globalized economy; fierce competition coupled with low prices continues to drive numerous small firms out of business: 10.3% of the security companies went out of business in 2011, breaking the 2010 9% record. However, the number of companies experiencing loss in 2011 went down from 20% in 2010 to 17%. This trend indicates a more selective environment and a maturing of the sector.

This also shows a tendency is also observed for market shares concentration in the hands of the leading groups: in 2007, the top 5 had a total turnover of 3.7 M€, which increased to 3.9 in 2009 to finally reach 4.4 M€ in 2011, representing respectively 25.1, 28.8, and 29.8% of market shares.

Overall, however, penetration of the security market by foreign based companies, essentially European and American, rose slightly in 2012. This was particularly visible in the areas of remote monitoring, cash handling and airport security service providers.

Created on January 9<sup>th</sup> 2012, the French National Council for Private Security Activities (CNAPS) is a new governmental supervisory and administrative body for private security firms. Its role is to administer certifications to the private security industry, regulate industry practices and take disciplinary actions if required. It is important to note that this new agency is funded by a tax levied on private security activities, at a rate of 0.5% of the Ex-Tax sales of services provided. This body was created by the need to make the sector more "ethical"; as a result, the CNAPS published on June 12<sup>th</sup> a code of conduct, defining a much clearer legal framework for private safety. Also, a modification of the 1983 law concerning the private safety sector is planned for 2013. The goal is to give a

better image of this profession, among others by imposing a standard uniform and limiting subcontracting.

### **TRADE EVENTS**

Name of event: Alarmes Protection Sécurité (APS)

Date: September, 2013

Location: Paris

English language website: <http://www.salon-aps.com>

Description: Electronic and Physical Security Show

Name of event: Milipol Paris

Date: November, 2013

Location: Paris

English language website: <http://www.expoprotection.com/index.php>

Description: Internal State Security / Homeland Security

Name of event: ExpoProtection

Date: December, 2014

Location: Paris

English language website: <http://www.expoprotection.com/>

Description: Risk Prevention and Management Exhibition

### **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

France: Safety and Security Market Overview

August 2011. Available at:

<http://www.export.gov/mrktresearch/index.asp>

Information on the French Security Market

En Toute Sécurité - <http://www.security-info.com>

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## Germany

Capital: Berlin  
Population: 81.3 million  
GDP: \$ 3.114 trillion  
World ranking: 6  
Currency: Euro  
Language: German



### SUMMARY

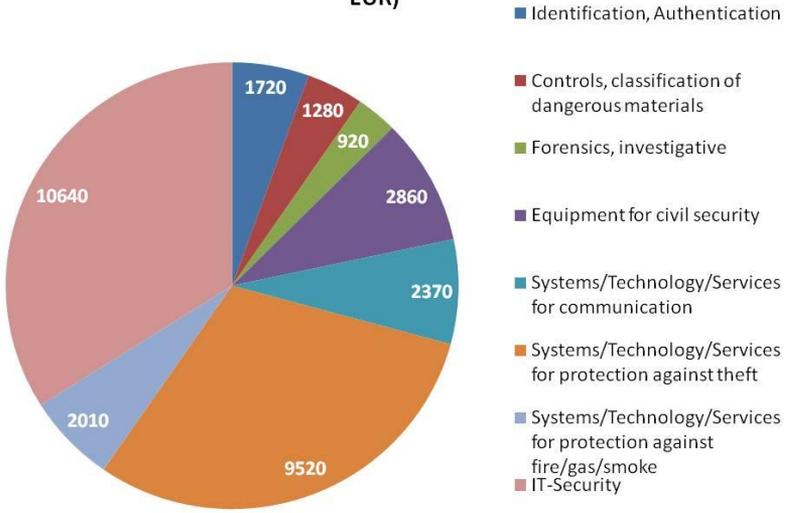
Germany, with a population of over 81 million, is the largest consumer market in the European Union and the third largest economy in USD exchange-rate terms worldwide. The volume of trade, number of consumers and Germany's geographic location at the heart of a 27-member European Union, make it a keystone around which many U.S. firms seek to build their European and worldwide expansion strategies.

An enormous volume of worldwide trade is conducted here in Germany at some of the world's largest trade events. Over 90% of products and technologies are introduced into the German market via trade fairs. For U.S. manufacturers and exporters wishing to sell in Germany (and Europe) it is therefore important to exhibit at one of Germany's major international fairs. This may result in direct sales, but, more significantly, it can be one of the least expensive ways to test the market's receptivity for their security & safety products.

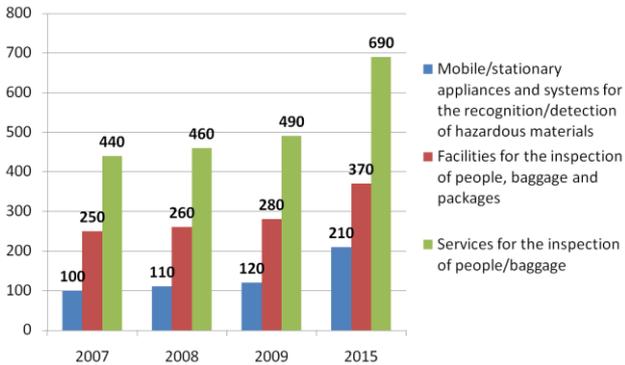
The market of Security technology and services registered a total capacity of more than EUR 11.04 billion for the year 2011 in Germany. This divides into 4.86 billion for security/protection services, EUR 2.08 billion mechanical equipment, EUR 3.5 electrical equipment and EUR 0.6 billion for other security equipment. The economic forecast for 2015 predicts continuing growth in all relevant sectors.

The market for civil security technology in Germany can be divided up into eight mayor segments,

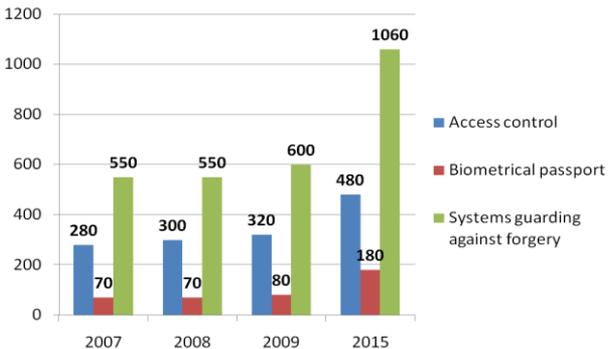
**Security Market in Germany in 2015 (market volume in mio EUR)**



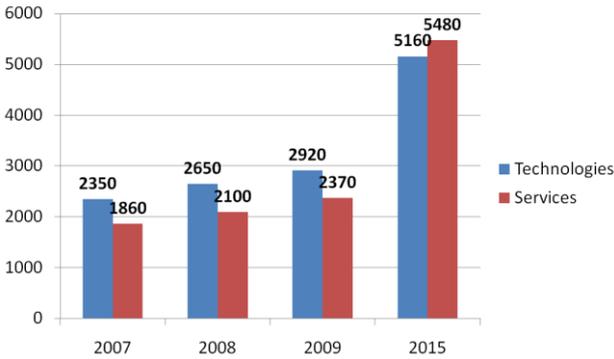
**Market volume for the “detection of hazmat” segment (in mio EUR)**



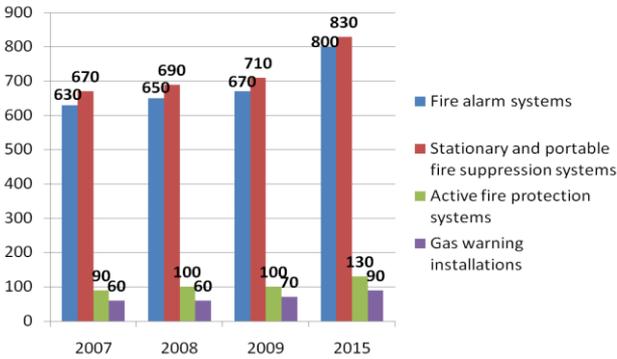
**Market volume for the “identification, authentication” segment (in mio EUR)**



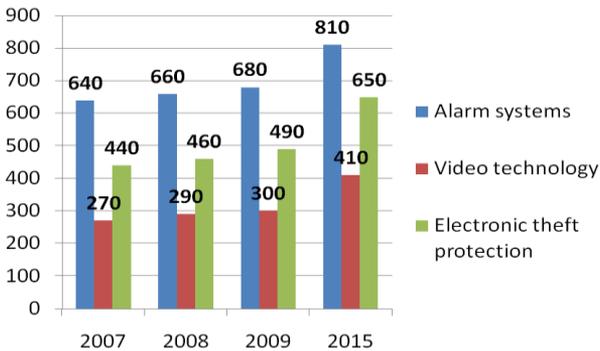
Market volume for the “IT-security” segment (in mio EUR)



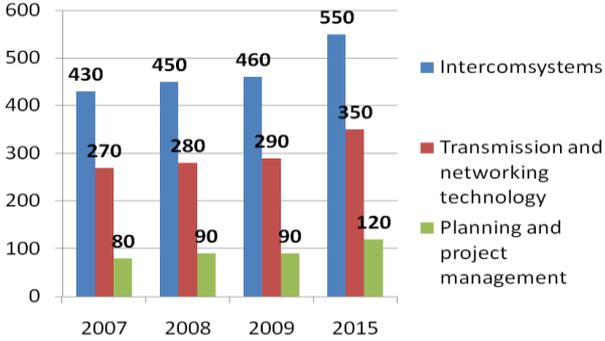
Market volume for the “fire/gas/smoke” segment (in mio EUR)



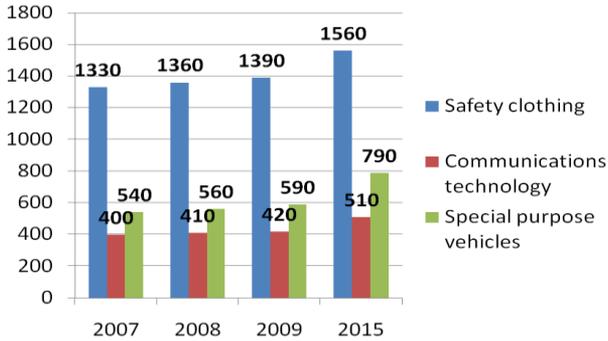
Market volume for the “theft/burglary/robbery protection” segment (in mio EUR)



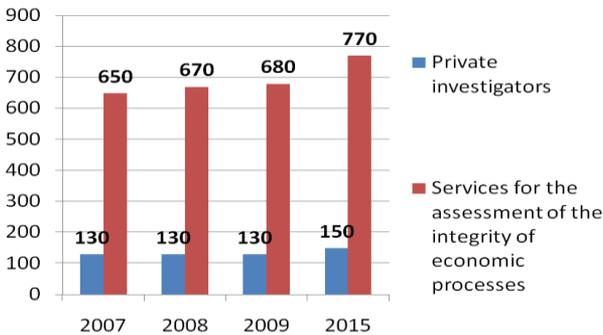
**Market volume for the “information and communication” segment (in mio EUR)**



**Market volume for the “civil security equipment” segment (in mio EUR)**



**Market volume for the “private investigation and forensics” segment (in mio EUR)**



## **MARKET ENTRY**

Local representation or market presence is essential. An agency agreement is often a cost effective mechanism to enter the market but under German law, even if the agent's performance is not satisfactory, it can still be difficult and costly to terminate the arrangement. A representation or distributorship agreement may be harder to arrange but the German associate will, in fact, purchase the product which is to be sold, thus sharing the marketing risk.

In addition to complying with standards and regulations, U.S. firms should seek to meet some additional criteria to assure product acceptance recognition and marketability when trying to enter the German market. For example, they should supply product information and trade literature in German. At a minimum, catalog inserts should be in German. Firms should also provide operation and instruction manuals in German to insure proper understanding and usage of equipment, as well as providing reliable after-sales servicing and product support or select qualified agents or distributors who are capable of providing quality service. U.S. firms should maintain close contact and good feedback with agents in Germany in order to stay informed about market developments, trade issues, regulations, and laws concerning their products.

Several rules and guidelines concerning product standards, "CE" marks, packaging labeling, payment & financing practices, tariffs and import regulation also apply to the German market. For more information on these matters, please feel free to contact the Commercial Specialist listed at the bottom of this country report.

## **CURRENT MARKET TRENDS**

The segment of control and hazardous material identification is expected to grow most in the coming years. Even though German suppliers have a strong position in this market (i.e. Smith Heimann), the segment is supposed to grow to a market volume of EUR 1.28 billion by 2015 providing market opportunities for U.S. exporters. Followed by services for identification, authentication including biometrics and RFID which is expected to increase up to EUR 1.72 billion until 2015 and IT technologies and services expected to reach EUR 10.64 billion until 2015 which would make it the biggest sector in terms of market volume in the security sector

## **MAIN COMPETITORS**

The German market for security & safety products is sophisticated and well served. Industry giants such as Siemens, Mobotix, Bosch, Philips, ABB, Abus, Assa Abloy and others are well entrenched. Despite this, the sector is characterized by small and heterogeneous companies or sub-groups of larger

companies. Even with a preference for locally produced products, American products can usually compete strongly on the basis of price and innovation. German production is mainly spurred by exports.

## **CURRENT DEMAND**

In light of the global developments and the importance of exports to the German economy and the CBRN extended Action Plan 2010-02 of the Council of the European UNION, there is a demand for innovative screening and identification, authentication system that are in compliance with the German data and privacy regulations.

## **BARRIERS**

Firms exporting to Germany will not encounter any direct trade barriers or quotas. Non-tariff, indirect trade barriers may be the approval process of dual use goods, which includes many products of the security market.

## **TRADE EVENTS**

Name of event: GPEC

Date: September 9-11, 2014

Location: Leipzig

English language website: <http://www.gpec.de/index.php?id=2&L=1>

Description: GPEC General Police Equipment Exhibition & Conference is Europe's leading closed specialized trade fair exclusively for members of authorities and those in the business of police equipment, security technology and services. By providing product presentations and training classes as well as seminars and workshops on key industry topics, GPEC offers a unique meeting place.

Name of event: Security

Date: September 23-26, 2014

Location: Essen

English language website: <http://www.security-messe.de/en/security/index.html>

Description: From technological fire prevention down to access control: market leaders and experts from the security and fire prevention technology sector will be meeting in Essen for the Security, The World Forum for Security and Fire Prevention.

Name of event: FeuerTRUTZ

Date: February 20-21, 2013

Location: Nuremberg

English language website: <http://www.feuertrutz-messe.de/en/>

Description: Trade Fair with Congress for Preventive Fire Protection.

Name of event: A + A

Date: November 5-8, 2013

Location: Dusseldorf

English language website: <http://www.aplusa-online.com>

Description: Safety, Security and Health at Work - International Trade Fair with Congress

Name of event: SMM & MS&D

Date: September 10, 2014

Location: Hamburg

English language website: <http://www.msd-smm.com>

Description: Shipbuilding, Machinery & Marine Technology - International Trade Fair Hamburg

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

IMI – Fire Departments 2010

German Security Market 2011

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Greece

Capital: Athens  
Population: 10.76 million  
GDP: \$ 293.9 billion  
World ranking: 44  
Currency: Euro  
Language: Greek



### SUMMARY

According to the National Statistical Service of Greece and market sources, the 2012 Greek market for security and safety equipment was estimated at around \$3.0 billion dollars. The market consists of two principle segments: the public sector which includes surveillance of mainly political targets, e.g., cities, ports, airports, Metro stations, highways, government offices, and in general, public and crowded areas; and the private sector, mainly dealing with residential and/or commercial safety and surveillance.

### MARKET ENTRY

The European Union market is a differentiated one, with specific supply and demand needs varying from member state to member state. While a pan-European business strategy is critical, exact market entry strategies must be considered on a country-by-country basis. For details of these tactics, please consult the Commerce Department's Country Commercial Guides of the 27 E.U. member states found at the following website: E.U. Member States' Country Commercial Guides

### CURRENT MARKET TRENDS

Despite the economic crisis and the recession that Greece is facing, the SEC market may be one of the few sectors where relevant tendencies towards growth in 2012 and 2013 in a contracting economy will hopefully maintain the market's current level. A very important factor that should be mentioned is the availability of funds from the External Border Funds and other EU bodies in regards to government procurement. In addition, the economic crisis has increased the need for detection equipment in both public, private and residential buildings.

The market is almost entirely dependent on imports, and primary suppliers of such equipment are manufacturers from the E.U. (United Kingdom, Germany, and Italy), Israel, China and Taiwan, and other East Asian countries. Specifically, U.S. suppliers account for approximately three to five percent of Greece's total imports in this sector. It should be noted that the actual share of U.S. imports is

much higher than what is indicated in official statistics, since a large percentage of imported safety & security equipment is produced by European subsidiaries of U.S. firms, and thus registered as E.U. trade.

This market holds interesting prospects both in the private and public sectors as there is constant re-evaluation and upgrading of systems. Until recently, security and surveillance systems were mainly used for the protection of military facilities and borders. Given the increasing rate of crime, commercial fraud, wildfires and the new types of threats at the international level, more and better security is mandated. The lifting of cabotage which will allow non-EU cruise ships to use Greek ports as home porting as well as GOG's plans to privatize Greek ports and marinas will increase the need for the upgrading of security systems at Greek ports and marinas. Furthermore, GOG's plans to privatize 38 Greek regional airports will also increase the demand of security systems and equipment at those airports. Furthermore, the plans of the government to restart big road projects, metro and tram expansions will also increase the need for security equipment and systems for these projects. Technology and equipment will be needed for detection of drug and weapons, and illegal immigrants, and for parcels and mail delivered to government and private offices. There will also be a demand for detection systems for schools and banks. These projects will be funded by E.U. funds, public-private partnerships and to a smaller extent by Greek national funds.

New-to-market U.S. exporters are in a good position to take advantage of the increasing number of opportunities as Greece continues to upgrade its safety and security equipment, particularly given that U.S. technology is well respected as a world leader in the global marketplace. Despite the strong competition from European companies, U.S. companies could capture a good share of this lucrative market. Major U.S. security companies, specialized in the above fields, already have a presence in the Greek market, but there is room for more.

## **MAIN COMPETITORS**

The market is almost entirely dependent on imports, and primary suppliers of such equipment are manufacturers from the E.U. (United Kingdom, Germany, and Italy), Israel, China and Taiwan, and other East Asian countries. Specifically, U.S. suppliers account for approximately three to five percent of Greece's total imports in this sector. It should be noted that the actual share of U.S. imports is much higher than what is indicated in official statistics, since a large percentage of imported safety & security equipment is produced by European subsidiaries of U.S. firms, and thus registered as E.U. trade.

## CURRENT DEMAND

Security and safety equipment with the greatest sales potential in Greece includes: X-ray scanning equipment, parcel and mail scanning equipment for the public and private sector, cameras, access control systems, biometric identification systems, CCTV systems, alarm systems, perimeter protection systems, trace detection equipment, security equipment for ports and airports, thermal and night vision cameras, border control equipment, fire-fighting equipment and systems, personal protection equipment, anti-intrusion systems, burglar alarms and automated home protection solutions.

U.S. firms specializing in safety and security equipment enjoy a very good reputation for their superior know-how and technical proficiency as well as for the design and execution of large-scale projects.

Opportunities for U.S. companies include:

- EU's external border fund budget for Greece for 2012-2013 is approximately 100 Million Euros. Procurement will include some of the following equipment and systems:
  - Installation of an automated surveillance system in northern Greece using thermal cameras
  - Five self-propelled operational centers which will be equipped with radar and thermal imaging cameras
  - 40 hand-held thermal cameras
  - Equipment for the Command Center of the Hellenic Coast Guard
  - Installation of a radar system for the surveillance of maritime borders in the Northern Aegean and the supply of 25 thermal imaging binoculars.
- The Ministry of Infrastructure, Transport and Networks will announce an international tender for the privatization/modernization of 34 or 38 regional airports. According to the plan, private companies will carry out the development and modernization of these airports and their exploitation for a long period.
- The Ministry of Shipping and Aegean will also announce tenders – through the Hellenic Republic Assets Development Plan – for the privatization of ports and marinas which will increase the need for related security equipment and technology.
- The economic crisis that hit Greece has increased the need for the installation of security systems that include alarm systems and CCTVs at banks and shops. The same applies for the home security market which is

another promising area. Home alarms are very popular, especially those that are connected with 24/7 call centers. About 300,000 homes in Greece have systems installed, 200,000 being in the Attica region including Athens.

- Fire detection systems are a requirement for all buildings, regardless of their use, according to Presidential Decree 71/1998. In addition, high demand is shown by the transportation industry, hotel and recreation industry, and government and law enforcement agencies.

## TRADE EVENTS

N/A

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

The 2012 Country Commercial Guide for Greece includes a best prospect on Security and Safety Equipment.

[www.yen.gr](http://www.yen.gr)

[www.ypes-dt.gr](http://www.ypes-dt.gr)

[www.ypan.gr](http://www.ypan.gr)

[www.hcaa.gr](http://www.hcaa.gr)

[www.fireservice.gr](http://www.fireservice.gr)

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## Guatemala

Capital: Guatemala City  
Population: 14 million  
GDP: \$ 74.64 billion  
World ranking: 82  
Currency: Quetzales (GTQ)  
Language: Spanish (official) 60%, Amerindian languages 40%



### SUMMARY

The country is facing one of the biggest challenges ever after the civil war. Guatemala has increasing insecurity due to the expansion of drug cartels, organized crime, gangs and lack of prosecution and conviction, and an ineffective and insufficient police force.

Robberies of all types are committed daily and the general perception is that four key institutions: the courts, prosecutors' office, the army and the police government agencies, as well as processes initiated by the International Commission Against Impunity in Guatemala and the selection of judges of different instances have been infiltrated by the cartels and organized crime. The general public has little or no confidence in law enforcement agencies believed to be corrupt.

Citizens also recognize the lack of the ability of the police to protect private property and companies. Companies as well as individuals are taking security into their own hands hiring private security and demanding more security systems. The country roughly has 22,000 active police officers and 100,000 to 120,000 private guards.

According to security statistics in Guatemala:

- Guatemala is ranked 4th in Latin America with a rate of 41 murders for every 100,000 citizens
- 47,185 robberies reported in 2012 while in 2011 there were 41,031 robberies reported
- There are currently 165 companies offering private security guards or security products
- More than 1,950,000 guns in the country

## MARKET ENTRY

The most important decision a U.S. company has to make is to choose a local representative. The best strategy is to screen potential importer-distributors, and select the most qualified.

The chosen importer should be a company that is registered to sell to the government and can participate in official tenders and bids. Also this company needs to know the private market and have constant communication with the private sector as well as the National Police.

Once the exclusive representation is given to a Guatemalan importer, it is difficult to take it back because of the representation law in Guatemala, so it is necessary to have a good relationship and chose the correct representative. The legal system can be slow and the law, under certain conditions, offers local agents a great deal of protection.

Formal agency or distribution agreements should be reviewed by a Guatemalan attorney hired by the U.S. exporter (independent of the Guatemalan party with which the agreement is being established).

## CURRENT MARKET TRENDS

Private security companies have had success in selling, installing and offering warranty for the following products:

- DVR 4 channels – 8 channels
- Cameras
- Sensors
- Complete CCTV system
- Alarms for houses, offices and buildings
- Digital locks
- Bullet proof vests

Government bids are posted all year long and are informed by the Government via their website in charge of government procurement ([www.guatecompras.gt](http://www.guatecompras.gt)).

## MAIN COMPETITORS

The competing countries are many and it depends on the specifications and purpose of the equipment, but in general the United States of America is the most important exporter of security equipment to Guatemala with an important share of the market. China is the second major exporter to Guatemala, followed by Taiwan, South Korea and Germany.

## CURRENT DEMAND

The Guatemalan Government has a security plan for the next 3 years that consists of:

- They will have 6,000 new police agents that will require equipment in 2013 and for 2014 5,000 agents
- Plans to homogenize the 25,000 guns they currently have and it is expected a large tender for pistols, rifles and ammunition.
- Plan to remodel 135 police stations and equip them with modems and sec
- Construction of 2-3 large prisons for different needs
- Install cameras in public buses

Municipalities started a while ago installing cameras on bus stops, public buses and heavy transit streets and avenues. This trend will continue as the expansion of secure cities continues.

## BARRIERS

There are no trade barriers for security equipment from the U.S.

## TRADE EVENTS

Name of event: ISC West

Date: April 10-12, 2013

Location: Las Vegas, Nevada, USA

English language website: [www.iscwest.com](http://www.iscwest.com)

Description: It is the most important trade show for security devices.

Name of event: Shot Show

Date: January 15-18, 2013

Location: Las Vegas, Nevada, USA

English language website: <http://www.nssf.org/SHOT/about.cfm>

Description: It is also visited by Guatemalan security companies searching for law enforcement products.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

N/A

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## Honduras

Capital: Tegucigalpa  
Population: 8.2 million  
GDP: \$ 35.7 billion  
World ranking: 96  
Currency: Lempira  
Language: Spanish



### SUMMARY

The Central America–Dominican Republic–United States Free Trade Agreement and other free trade agreements have led to modernization and liberalization of the Honduran trade and investment regimes. Business regulations are relatively benign and the private-sector activity benefits from moderate taxation, though government services are correspondingly poor. The government recently approved the development of special free trade and investment zones to stimulate the economy, but broader implementation of deeper institutional reforms is critical to spurring more dynamic economic growth across the country.

Most industrial parks and export processing zones are located in the northern Department of Cortés, with close access to Puerto Cortés, Honduras’s major Caribbean port, and San Pedro Sula, Honduras’s major commercial city and a transportation crossroads. Industrial parks and export processing zones are treated as offshore operations. Therefore, customs duties must be paid on products manufactured in the parks and sold in Honduras. In addition, if Honduran inputs are used in production, they are treated as exports and must be paid for in U.S. dollars. While most companies that operate in these parks are involved in apparel assembly, the government and park operators have begun to diversify into other types of light industry, including automotive parts and electronics assembly.

The United States represents the most significant source of direct foreign investment and trade in the country followed by Canada, Mexico and the Central American block.

The demand for Safety & Security Equipment in the country is high as crime is widespread in Honduras. Poverty and unemployment, along with significant street gang and drug trafficking activity, have contributed to the extremely high crime rate. In January 2012, the Peace Corps suspended its program in order to review the safety and security of its volunteers. Political demonstrations occur frequently in the major cities of Honduras. During demonstrations, protestors

frequently block public roads to press their political views or to seek concessions from the Honduran government. Police may use tear gas, water cannons, or rubber bullets to disperse demonstrators.

According to the United Nations, Honduras has the highest per capita homicide rate in the world, with 86 homicides for every 100,000 inhabitants. Although crime and violent crime occurs in all parts of Honduras, the north coast and central portions of the country have historically had the country's highest crime rates. Copan, Roatan/Bay Islands, and other tourist destinations have a lower crime rate than other parts of the country.

Imports of Safety & Security products to Honduras increased from \$28,453,219 to \$30,103,547.00 from 2010 to 2011 and the latest import data for September 2012 registers \$22,339,053.00 indicating a steady increase in the market.

On June of 2011 the government instituted a controversial security tax, which in essence is a special tariff applied to financial transactions by which the collected revenues will be destined to strengthen national security projects estimated at \$75,000,000 a year.

## **MARKET ENTRY**

U.S. firms should plan their market entry very carefully. Given its strategic location and boasting the largest maritime port in the region, Honduras is an important gateway for the majority of U.S. exports entering the Central American market.

Decisive factors in the purchasing of safety & security equipment in Honduras first and foremost are price, followed closely by the quality, estimated delivery times and terms of credit. This trend puts Asian manufactured goods at the forefront of the market, however in recent years importers have begun looking for other supply channels in the U.S. and Europe, as the need for more reliable, robust and smarter systems have become a necessity. Personalized service in this respect is paramount as the evolving market demands a higher technical knowledge of the industry in order to better approach the end users in the private and public sectors alike with new technologies, smarter and more efficient products.

A significant advantage for U.S. exporters exists in the positive perception of U.S. manufactured goods and the relatively close proximity between both countries. Communication and information sharing becomes another critical factor as the Honduran business community traditionally prefers to establish a level of personal relationship with their suppliers.

It is critical for a successful U.S. supplier to familiarize themselves with the dynamics of doing business in Honduras as it will vary from the other countries in Central America. Despite its smaller economy, Honduras has two major commercial centers, Tegucigalpa the capital city and San Pedro Sula known as the industrial capital of the country. In choosing to enter this market the selection of a representative or licensed distributor with the capacity and experience to operate in both these regions is instrumental in securing a solid market share.

## **CURRENT MARKET TRENDS**

### **Violence**

The Violence Observatory of the National Autonomous University of Honduras determined in its preliminary statistics report that the rate of homicides in Honduras to date is 40.2 per 100 thousand inhabitants, the figure represents a reduction of 2.5 percentage points in the number homicides recorded per 100 thousand inhabitants, compared to the same period in 2011. Cities showing major violent incidents are La Ceiba, with a homicide rate of 96.2, becoming the most violent municipality; followed by San Pedro Sula, with a rate of 77.8, then Juticalpa with 75.4 homicides.

### **Traffic Accidents**

Among other indicators the Honduran Authorities reported over 11,000 motor vehicle accidents in Honduras and 900 fatalities in these types of incidents in 2012.

### **Petty Theft & Burglary**

A market survey presented by the firm CID-Gallup in Central America determined that 1 in every 3 Honduran homes have been victims of petty theft or burglary in 2012. This is the highest in the region followed closely by Guatemala and El Salvador.

### **Work related injuries**

Latest available estimates by the Honduran Ministry of Social Security report between 70 to 80 cases of work related injuries are treated in the nation's hospitals every month. Of a total of 3449 cases were reported in 2011 and most happened in the manufacturing sector in the industrial capital of San Pedro Sula.

## **MAIN COMPETITORS**

The security market in Honduras is highly competitive as demand for security services grows in the region. Currently there are 50 companies registered with the Security Service Providers Association employing approximately 20,000 people. The majority of providers however can be found in the informal sector and are not licensed or trained; they provide mostly residential monitoring services. Professional companies operating in Honduras provide mostly

prevention, monitoring and secure transport services as well as distribute surveillance and general safety equipment. Personal security is a growing industry subset and currently the need for highly trained personnel as well as equipment is expanding. Major importers to Honduras are Israel, Mexico, Brazil and the United States. The State owned company “LA ARMERIA” is currently the only licensed distributor of commercial firearms in Honduras. A small number of retailers in Tegucigalpa and San Pedro Sula distribute tactical gear, personal defense products and accessories.

The major players in the private security services market in Honduras are:

- INTER-CON (U.S. Owned) <http://www.icsecurity.com/>
- G4S (U.S. Owned) <http://www.g4s.us>
- Golan Group (Israeli Owned) <http://grupogolan.com/index.htm>

China and the United States are the major importers of Industrial & Commercial Safety equipment in Honduras and as the manufacturing industry begins to diversify from an almost exclusive textile industry to light manufacturing the need for these types of products and services is expected to grow.

## CURRENT DEMAND

Statistical Data on the Honduran Security and Safety Equipment Market

YEAR	2010	2011	2012 Jan- Sept
Total Market Size	28,225,431	29,731,485	20,224,015
Total Local Production	NA	NA	NA
Total Exports	227,788	372,062	2,115,038
Total Imports	28,453,219	30,103,547	22,339,053
Imports from the U.S.	11,333,594	10,583,259	6,744,589

\*Note: Total market size = (total local production + total imports) - (total exports) SOURCE: Secretariat for Central American Economic Integration (SIECA)

## BARRIERS

There are no trade barriers for the importation of safety and security equipment into Honduras. An import permit issued by the Honduran Ministry of Security is necessary in order to import commercial firearms.

Currently there is only one company owned and operated by the Honduran military forces licensed to sell commercial firearms for civilian use in Honduras.

## **TRADE EVENTS**

There are no trade oriented security fairs in Honduras at the present time. Currently FCS Honduras is organizing an International Buyer Delegation for ISC West 2013, taking place April 9-11 2013 in Las Vegas Nevada.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Country Commercial Guide (CCG) 2012 – Doing Business in Honduras.

The CCG 2012 presents a comprehensive look at Honduras's commercial environment, including economic, political and market analysis.

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Hong Kong

Capital: Beijing  
Population: 7.1 million  
GDP: \$ 350.4 billion  
World ranking: 36  
Currency: Hong Kong Dollar (HKD)  
Language: Cantonese (official) 90.8%, English (official) 2.8%, Putonghua (Mandarin) 0.9%, other Chinese dialects 4.4%, other 1.1%



### SUMMARY

Hong Kong is one of the safest regions in the world, with a low crime rate and strong social order. As a hub for transportation and logistics for Asia, the Hong Kong will face an increasing demand for safety and security equipment and services—particularly for its airport and freight-cargo facilities. Other major areas of substantial security equipment outlays include the commercial and financial sectors. This runs vis-à-vis with China’s rapidly growing safety and security market demand as well. For international suppliers, the Hong Kong market leans toward more sophisticated, high-tech security products and services. Demand has traditionally been serviced by Japan, Taiwan, Israel, the United States and the European Union.

While Hong Kong possesses one of the freest trade regimes in the world, U.S. exporters should be aware that security products may be subject to U.S. Export Control Regulations and should pursue Hong Kong, Macau and China projects after determining compliance requirements.

### MARKET ENTRY

Due to Hong Kong’s status as a Duty Free Port, no import tariffs are imposed on inbound security equipment shipments. In particular, there are two major sales channels utilized in Hong Kong. First, some corporations will set up their own sales office together with a technical support center in Hong Kong. This helps the corporation to expand and support local sales and client needs. It is important to note however, that due to high labor costs and office rents in Hong Kong, a majority of the U.S. companies are large corporate entities.

A second popular channel for SMEs will be a partnership with local agents and/or with local distributors. Local agents and distributors are well-versed in local business networks and provide in-depth market knowledge to U.S. companies. Nevertheless, in the Hong Kong market it is still very important for U.S.

companies to provide sales and technical support in order to build a reputation as a reliable, service-oriented firm.

### **CURRENT MARKET TRENDS**

Per its reputation as an international trade and financial center, Hong Kong spends heavily on security for its airport and freight-cargo facilities. Specifically, video surveillance systems, electronic access control systems and entrance solution and intrusion detection are commonly used not only in large commercial sectors, but also in the residential housing market. In general, the Hong Kong markets leans toward more sophisticated, high-tech products, an area in which U.S. firms are strong. In addition, U.S. suppliers of sophisticated security systems may want to consider partnering with Hong Kong security companies to explore the developing local market in Hong Kong, Macau and in nearby South East Asia.

### **MAIN COMPETITORS**

Basic and common security technology products supplied from Taiwan and China are very price competitive. Other suppliers such as the Europe Union, Japan or Israel are reputable for high-end technology and quality products. They are increasingly developing their market share in Hong Kong.

### **CURRENT DEMAND**

The primary users of safety and security products are Hong Kong enforcement units such as the Police Force, Customs & Excise Department, Fire Department and Port Control Authorities. For commercial and residential use, there is a steady demand for access control equipment, alarm systems and CCTV surveillance cameras and systems. Fire Protection is another area which currently holds strong market demand—especially for new technology in integrated fire alarm systems.

### **BARRIERS**

Hong Kong is a free port meaning there are very few government-imposed barriers for entering the market. On rare occasions, however, certain security products might be required to have an import/export license from the United States and Hong Kong governments. U.S. suppliers should also be aware of the specific license requirements if the Hong Kong bound shipment will be re-exported to China or other destinations abroad. More information is available at the Commerce Department's Bureau of Industry and Security (BIS) website: [www.bis.doc.gov](http://www.bis.doc.gov)

## TRADE EVENTS

Name: Security Products China Sourcing Fair

Date: April 12-15, 2013

Location: Hong Kong

English language website: <http://www.globalsources.com/tradeshows/hongkong-security-products.htm?>

Description: A sourcing trade show which major showcases the China-made security products.

Name of event: Asian Securitex 2014

Date: June 3-5, 2014

Location: Hong Kong

English language website: <http://www.asiansecuritex.com/C/2.html>

Description: It is a biannual event and it will be their 13<sup>th</sup> Asian International Security, Safety and Fire Protection Show & Conference in Asia. The last show was in June 2012 which exhibits the most groundbreaking international security products and technologies, ranging from smartcard technologies, CCTV & remote monitoring control systems, integrated security management systems to rescue & emergency equipment and clothing.

Name of event: Fire Asia 2015

Date: February 2015 (To be confirmed)

Location: Hong Kong

English language website: <http://www.fireasia2012.org>

Description: The last show was in February 2012, which was a 3-day conference organized by Hong Kong associations together with Fire Service Department of Hong Kong Government every three years. It was a conference of exchanging professional knowledge, networking and generating synergy effects for exploring new heights to a safer society. Speakers from Pan-Asia region, Europe, USA and North America were invited to give their insights in the conference.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

N/A

## U.S. COMMERCIAL SERVICE CONTACT INFORMATION

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## Hungary

Capital: Budapest  
Population: 9.9 million  
GDP: \$ 195.3 billion  
World ranking: 56  
Currency: Forints (HUF)  
Language: Hungarian 93.6%, other or unspecified 6.4%



### SUMMARY

Hungary has been the member of the European Union since 2004 with a population of 9.9 million. Hungary's perfect geographical location makes it an attractive market for U.S. exporters as well as it makes a test market for them eyeing expansion into neighboring countries. Hungary's historical and economic ties to other parts of Europe also make it a logical base for serving those growth markets. At present, approximately 260 U.S. firms have subsidiaries, affiliates, franchisees, and licensees in Hungary, of which about 55 have regional responsibilities for other Central and Eastern European, or Balkan countries. U.S. products and services on general enjoy a good reputation here.

Demand for safety and security equipment and services continues to be significant and remains a primary area of focus at several institutions of the Hungarian Government and government connected bodies. As in other EU countries, increased emphasis has been placed on industrial, homeland security, safety of transportation means, utilities and other physical infrastructure protection. Although industry data is hardly available, the estimated total Hungarian market demand for safety and security equipment in 2011 was USD 97 million. U.S. safety & security equipment imports into Hungary are estimated to be around USD 2.8 million.

### MARKET ENTRY

U.S. firms are recommended to plan their market entry very carefully. Given its location in the center of Europe and the size of its market, small enough to allow a quick overview, Hungary is considered as an affluent pilot market for advanced U.S. safety and security products and technologies. The best strategy is to select a qualified local distributor. Hungarian distributors are usually knowledgeable and experienced in this industry sector. The majority of potential distributors are fluent in foreign languages including English and German. They are also very well familiar with the necessary EU approval procedures and will obtain approval for U.S. suppliers if needed.

The American supplier should discuss and agree on a marketing strategy with its distributor. Once the agent or distributor is selected, it is preferable to maintain this relationship unless there are serious legal or business issues arise. Frequent changes in distribution patterns may distract users from trusted suppliers. It is not uncommon that introducing and getting market exposure for a new product in Hungary may take up to two-three years, owing to the conservative and complex nature of the market.

### **CURRENT MARKET TRENDS**

The past years have been characterized by slight increase in overall crime rates including property crime rates and cybercrime rates have seen a dramatic increase. A total of 447,186 crimes were reported in Hungary in 2011 and it represents an increase of 13 percent compared to 2010 when 394,034 crimes were reported. Violent crime is relatively low in Hungary likewise in neighboring countries, it has been slowly decreasing and the number of murders and attempted murders dropped from 139 in 2010 to 133 in 2011.

On the other hand, property crime has shown an increasing tendency. Budapest and Pest County is still the region most affected by crime, followed by counties in the Eastern part of the country and number of crimes was lower in the Western part of Hungary. In the past years, Budapest and its surrounding has become a target for burglaries and break-ins, which many Hungarians attribute to the unfavorable economic conditions, increased unemployment and decreasing disposable income. Number of break-ins into private homes is around 20,000 annually. The incident of car theft continues to remain relatively high as there were 6,840 reported incidents in 2011. The most favored stolen brands are Suzuki, VW, Renault and Toyota.

There has also been a dramatic rise in cybercrime, from 1,270 reported cases in 2010 to 3,940 cases in 2011. Combating cyber and internet crime has also been cited by the National Police as a main priority for upcoming years. In 2011, a substantial increase of bank robberies has been reported, where the target are bank affiliates both in Budapest and smaller countryside cities. In most of the cases the automated teller machines (ATM) have been opened and completely destroyed.

### **MAIN COMPETITORS**

The security market in Hungary has become a growth industry with 3,600 firms – mostly smaller ones - involved in distribution of safety security products and property protection systems. Surveillance companies dealing with the protection of people and property, electronic monitoring, fire detection, as well as armored-car manufacture and services generate strong turnover figures. The lion's share

of the surveillance business is comprised of Securitas (680 employees), which is part of a Swedish concern, and G4S (1,160 employees). The Hungarian safety and security market is expected to grow at an estimated annual real growth rate of 1.5-2 percent over the next three years. American manufacturers of sophisticated security solutions are already well established in the Hungarian market: such as Honeywell, Diebold, Multi Alarm, and ADT Fire and Security Division of Tyco International. Local production within this sector consists of the manufacturing of all sizes of safes, some electronic security devices, and a wide range of sophisticated locks and locking systems for all applications.

### **CURRENT DEMAND**

The Hungarian security market offers wide opportunities for U.S. firms. It represents a desirable, affluent test market for advanced U.S. technology. In particular, electronic access-control systems, including biometric identification systems, national and IT security, intrusion detection systems, and video surveillance equipment, including CCTV systems have considerable potential. Internet Protocol (IP) – based security is highly attractive and desired to the country and is currently growing at an annual rate of 24 percent.

Due to a sharp increase in cybercrime and financial fraud, ICT security solutions (firewalls, spam filters) and data storage or special banking software have significant market potential. From this perspective, the greatest potential can be realized in the retail and public sectors – governmental authorities and public areas. Additional growth possibilities exist in products such residential alarms, forensic equipment, perimeter protection systems, fire – related protection and work-wear protection.

### **BARRIERS**

Within the safety and security sector there are not any non-tariff barriers for U.S. companies entering the Hungarian market with the exception of EU-wide standards and regulations for such equipment.

### **TRADE EVENTS**

Name of event: International Industry Automation

Date: May 28-31, 2013

Location: Hungexpo

English language website: [www.industriautomation.hu/?nyelv=1](http://www.industriautomation.hu/?nyelv=1)

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Country Commercial Guide (CCG) 2012 – Doing Business in Hungary

The CCG 2012 presents a comprehensive look at Hungary's commercial environment, including economic, political and market analysis.

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## India

Capital: New Delhi  
 Population: 1.205 billion  
 GDP: \$ 4.735 trillion  
 World ranking: 4  
 Currency: Rupee  
 Language: German Hindi 41%, Bengali 8.1%, Telugu 7.2%, Marathi 7%, Tamil 5.9%, Urdu 5%, Gujarati 4.5%, Kannada 3.7%, Malayalam 3.2%, Oriya 3.2%, Punjabi 2.8%, Assamese 1.3%, Maithili 1.2%, Other 5.9



### SUMMARY

The security industry is still in the nascent stage and the unorganized sector accounts for a larger share in the market. Another aspect of this industry in India is that there is lack of coherence among the actions of different parties including the government, institutions and individuals. This is the single most stumbling block in the development of the security industry in India. There have been a few attempts in this direction. Companies in the security surveillance business have made representations to the government through the Fire and Safety Association to cut customs duty on equipment imports. The industry has also appealed to the government to grant it a status to that of the IT industry.

The Indian security equipment and services market is primarily boosted by the rapid urbanization and the ongoing globalization wherein the need for robust and updated security technologies is gaining momentum with each passing day. Off late criminal activities coupled with the dawn of terrorism has triggered the demand for both security equipments and private security services by leaps and bounds.

India's major end users include the armed forces, VIP security agencies, police, banks, multinationals corporations and the private sector. Rapid growth in sectors such as telecom, ports airports, aviation, railways, road, energy, construction and retail, coupled with the influx of multinational companies has been the driving force for creating demand for the security industry .

### MARKET ENTRY

There are no restrictions on the import of surveillance equipment into India. However, the components of the total import duty include a basic duty (applied on the cost insurance freight (CIF) value of goods); additional duty (popularly

called countervailing duty), which is equivalent to the excise duty on similar articles manufactured within the country; a special additional customs duty; and an educational tax of three percent.

The Government of India's Reserve Bank does not normally allow advance payments for imports. Government purchases follow a tendering process. Most of the government tenders follow two parts: technical bids and commercial bids. All government tenders are time consuming and generally the government decides on the lowest bidder.

## **CURRENT MARKET TRENDS**

The electronic security systems market is the largest sub-sector which provides the maximum scope for security imports. The market for security systems in India is expected to grow at a compounded annual rate of over 25% over the next three years. Comprised of access control systems, surveillance equipment, alarm systems, and fire detection and protection systems, approximately 60% of the products sold in India are imported. Rising concern over terrorism and crime and a growing outsourcing industry are the key drivers of demand.

The government of India (GoI) has also taken various initiatives intended for uplifting the overall industry, which in turn acts as a boon for the players operating in the market. Allowance of FDI and the permission for CISF deployment as private security forces happen to be some of the major initiatives taken so far. Additionally, GoI has also signed pacts with Israel for the facilitation of better homeland security. State governments have also played their role by entering into collaborations with CAPSI for the setting up of training centers for security guards, so as to provide an enhanced security cover to the nation.

The fire protection industry has gained importance in recent years. It is estimated that the loss of assets due to fire is almost \$100 billion per year with an increasing tendency. The total world market for fire protection business show an upward trend, but the rate varies in different segments and countries. The estimated worldwide market size is approximately \$58 billion and expected to grow to around \$73 billion by 2015.

The Indian fire protection market is expanding to meet the growing demand from the user segment. Large office space, technology parks, commercial complexes, airports, petrochemical complexes, manufacturing ventures are expanding and these ventures continue to support the growth of the fire protection demand in the country.

The fire-fighting industry in India has tremendous potential. As the economy grows, both industry and government are updating fire protection systems for

continued operations in industrial plants and offices. The government regulations for fire safety are now mandatory and this has further brightened the market outlook for fire protection systems in India.

Technology parks, office buildings for IT/ITES, infrastructure development, new hospitals, shopping malls, hotels and banks will contribute to the demand for fire protection in India.

The Government is investing heavily in infrastructure development, upgrading existing airports and setting up new airports and metros in various cities in India. These continue to drive the demand for fire protection. Large refineries, petrochemical complexes, biotechnology ventures, pharmaceutical, automobile, steel, other manufacturing projects and oil/gas exploration program have specialized fire protection requirements.

Unit: USD Millions

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	1434	1980	2799	3569
Total Local Production	900	1210	1740	2210
Total Exports	22	30	33	41
Total Imports	556	800	1092	1400
Imports from the U.S.	220	440	600	800
Exchange Rate: 1 USD	Rs. 50	Rs. 50	Rs. 50	Rs. 50

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Government of India Economic Survey 2009, 2010, 2011, 2012, Planning Commission Reports, CII safety and security Industry analyses, Indian Fire Safety association statistics.

According to Frost & Sullivan's analysis on Indian fire and safety products, the Indian fire and safety market is growing in double digits. It was pegged at approximately \$ 210 million in 2011, while the global fire and safety products market was valued at \$7 billion

The Indian security market is estimated at around \$3 billion for 2012 and the major target sector are airports, mass transport and maritime. The market is estimated to be \$9.7 billion by 2016.

The Indian electronic security market is growing at 23 % CAGR with a potential to grow at 40%.

## **MAIN COMPETITORS**

U.S. companies such as Honeywell, Textron, Boeing, Cisco, Raytheon, 3M, DuPont, Texas Instruments, Cross Match Technologies, Infinova, NABCO, Colt, Smith and Wesson, Sig Sauer are already operating in the Indian market. These U.S. companies provide global state-of-the-art commercial and homeland security technology products, solutions and services for border protection, marine security, counter insurgency, city surveillance and other critical security infrastructure needs. Companies from the UK, Israel, Taiwan, Italy and Japan also have an active presence in the country promoting their products, including monitoring equipment, interceptors, and other electronic devices.

## **CURRENT DEMAND**

- Integrated Solution
- Metal detectors
- Baggage scanners
- CCTV/ Access Control Systems
- Audio visual Surveillance
- Surveillance devices for open space and interior protection
- Explosion detection and disposal robotics
- Fire alarm and firefighting equipment
- Equipment for hospitality and bank security
- Traffic monitoring
- Biometric devices
- Safety & Security training institutes
- Detective service
- Aviation and Airlines security systems
- Emphasis on quality training from accredited sources
- New growth areas include: Small scale industries, educational institutes, private offices, residential apartments, government premises, and jail security.

## **BARRIERS**

Please contact Ms. Sherigar to rule out any barriers against your product/service in India.

## TRADE EVENTS

Name of event: IFSEC India

Date: December 5-7, 2013

Location: India Expo Centre, Greater Noida

English language website: <http://www.ifsecindia.com>

Description: IFSEC India and Homeland Security India is South Asia's largest security exhibition, displaying the most cutting edge commercial, homeland security and fire safety technologies, products, solutions and services, with onsite product launches from major industry suppliers.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

India Safety and Security Market brief 2013

## U.S. COMMERCIAL SERVICE CONTACT INFORMATION

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## Indonesia

Capital: Jakarta

Population: 248 million

GDP: \$ 1.12 trillion

World ranking: 16

Currency: Indonesian Rupiah (IDR)

Language: Bahasa Indonesia (official, modified form of Malay), English, local dialects  
(of which the most widely spoken is Javanese)



### SUMMARY

Indonesia is Southeast Asia's largest economy with 248 million people, and GDP growth above 6.3% in 2012 and projected to remain above 6% for the next five years. During the difficult global conditions of 2009, Indonesia's economy was among the top worldwide performers, due to a number of factors, including strong domestic demand and rich natural resources. Solid macroeconomic fundamentals, a stable currency and recent upgrades in bond ratings have made in Indonesia an economy to watch in the coming decade.

The market demand for the safety and security industry in Indonesia remains strong with the increased levels of perceived insecurity by the population and the priority of improving commercial and public safety.

Increase in the demand for safety and security equipment can be attributed not only from the increased demand of the Indonesian National Police and other related government agencies, but also from the management of public facilities, commercial, industrial and residential areas.

### MARKET ENTRY

Small and medium sized U.S. firms that would like to enter the Indonesian market would be well advised to use an agent or distributor. U.S. companies need to visit the Indonesian market in order to properly choose an appropriate agent or distributor. Appointment of a representative requires care, since it is difficult to get out of a bad relationship. Qualified representative will not take U.S. principals seriously unless they make a commitment to visiting the market on a regular basis. Patience and presence are key success factors.

The Presidential Decree No.70/2012 regulates the procurement process for government agencies, including the state-owned companies, the Indonesian military and the Indonesian Police. Although it may

be possible in some cases to sell directly to the Government, there is good reason to use the services of an agent or distributor for the early stages of project development, delivery, installation and service needs.

Key factors in purchasing decisions in Indonesia are pricing, financing, technical skills, and after-sales service. Firms should be prepared to invest capital and manpower into making their local representative a first-class service provider.

## **CURRENT MARKET TRENDS**

Despite a relative improvement in the economic and political situation, Indonesia faces challenges in overcoming several main security problems: the continuing threats of terrorism, the increased of crime rate in major cities, social conflict in several regions, the increased transportation accidents, natural disasters, maritime and border security. In the efforts to resolve those problems, the Government of Indonesia (GOI) has allocated more money to the Indonesian National Police (POLRI). In 2013, POLRI receives \$4.6 billion which will be used to buy equipment such as vehicles, patrol boats, communication equipment, forensic laboratory equipment, detection and identification equipment, and anti-riot equipment. GOI also gives additional budget allocation to other agencies such as Directorate General of Immigration, Directorate General of Tax and Duty, Ministry of Justice, the National Intelligence Bureau, the National Disaster Management Agency and the National Search and Rescue Agency in order to increase their capabilities.

Increasing demand for safety and security equipment will come from various infrastructure projects which are planned and developed by government agencies, state-owned companies, and private companies. In 2013, GOI offers 14 major infrastructure projects valued at \$6.1 billion to the private through Public Private Partnership scheme, ranging from power plants, toll roads, airports, ports, railways, mass rapid transportation, and water projects. In addition, state-owned companies such as PT Angkasa Pura I & II (airport), PT Pelindo II (port) and PT KAI (railway) will develop their own airport, port and railway projects using their internal financial resources.

Additional demand will come from the rapid development of various facilities by private companies in Jakarta and other major cities in Indonesia such as trade centers, apartments, hotels, residential complexes, office buildings, mining, oil and gas exploration facilities, and industrial plants.

Various security and safety equipment such as CCTV, safety locks, central locks, early warning security system, fire detector, smoke detector and alarm will be needed to provide a secure environment.

### **MAIN COMPETITORS**

Medium- and high-level, sophisticated security and safety equipment will sell well in Indonesia. Presently, equipment of medium level quality is generally imported from Japan, South Korea, Taiwan, and China. Products with higher, more sophisticated quality are imported from the United States and some West European countries. Both groups of imported product categories are well represented by aggressive agents or distributors in Indonesia. Generally, aside from promoting their represented products in the Yellow Pages, magazines and newspapers, the agents also visit potential end users on a “door-to-door basis”. Normally, using this method, they demonstrate and clearly explain the strengths of their represented products.

In general, except for simpler items, security and safety equipment is not yet produced in Indonesia. Local manufacturers produce equipments such as fire truck for municipal fire fighting, fire extinguisher, locks, safe, strong room boxes and doors, and personal safety equipment.

### **CURRENT DEMAND**

Various infrastructure projects require integrated security solutions and will need high technology security equipment such as access control systems, alarm systems, video surveillance systems, metal detectors, x-ray or screening machines, communication systems. In addition, there is also an increased demand for security services. Instead of having their own security guards, many building management companies prefer to outsource to private security companies.

### **BARRIERS**

There are no non-tariff barriers inhibiting the importation of safety and security equipment. Import duties have been progressively reduced over the years in a number of deregulation measures by the government. The import tariffs on safety and security products are 0 – 10 percent. In addition, a Value Added Tax (VAT) of 10 percent is imposed on all imported products

## TRADE EVENTS

Name of event: ASPACPOL 2013 Expo & Forum

Date: December 11-13, 2013

Location: Jakarta

English language website: [www.aspacpol.com](http://www.aspacpol.com)

Description: ASPACPOL 2013 – Asia Pacific Police and Internal State Security Event, will focus on the complete spectrum of the security industry ranging from business and police equipment to component. ASPACPOL will be held together with Indo Security 2013 and Indo Firex 2013 Expo & Forum.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

The Indonesian National Police, [www.polri.go.id](http://www.polri.go.id)

Airport management companies:

PT Angkasa Pura I, [www.angkasapura1.co.id](http://www.angkasapura1.co.id)

PT Angkasa Pura II: [www.angkasapura2.co.id](http://www.angkasapura2.co.id)

Port management companies:

PT Pelindo I, [www.inaport1.co.id](http://www.inaport1.co.id)

PT Pelindo II, [www.indonesiaport.co.id](http://www.indonesiaport.co.id)

PT Pelindo III, [www.pp3.co.id](http://www.pp3.co.id)

PT Pelindo IV, [www.pelabuhan4.co.id](http://www.pelabuhan4.co.id)

Railway management company:

PT Kereta Api Indonesia, [www.kereta-api.co.id](http://www.kereta-api.co.id)

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## Ireland

Capital: Dublin  
Population: 4.7 million  
GDP: \$ 181.9 billion  
World ranking: 57  
Currency: Euros (EUR)  
Languages: English (official, the language generally used), Irish (Gaelic or Gaeilge)



### SUMMARY

The Irish market for safety and security equipment and services is very competitive with strong international competition. The commercial, industrial and consumer segments currently underpin local demand as the government segment is experiencing budgetary constraints associated with Ireland's fiscal recovery. Products and technologies offering opportunities include security and building automation, access control, digital CCTV and surveillance systems, biometrics and internet security. End users are very receptive to U.S. products however, innovative, leading-edge and competitively priced products are critical for market success.

### MARKET ENTRY

Many major international suppliers have local sales and marketing operations supported by a network of Irish resellers and installers. Smaller international brands, meanwhile, utilize the agent/distributor network to achieve market penetration. U.S. Commercial Service Dublin can facilitate introductions to this agent/distributor network for interested U.S. companies with quality innovative products. Public sector procurement must comply with European Union and Irish government public procurement regulations. All relevant procurements falling within these guidelines will be listed in the Irish Government's [eTenders](#) public procurement portal.

### CURRENT MARKET TRENDS

Innovative, leading-edge and competitively priced products are key success factors for market penetration. There is good demand across products sectors such as security and building automation, access control, digital CCTV and surveillance systems, biometrics and internet security. The Irish government has strategies for counter-terrorism, homeland security and critical infrastructure protection, however, current budgetary constraints can affect timely and full implementation of these plans.

### MAIN COMPETITORS

There is strong competition across all sectors of the Irish safety and security market. International brands are widely available across all industry segments. Leading U.S. companies across all product segments have strong local partners. U.S. internet security companies have a good market presence as many have established operations in Ireland in order to access the larger European market.

### **CURRENT DEMAND**

There are no concise statistics on the Irish safety and security market; however, anecdotal evidence indicates market demand for products and services lies in the \$2-4 billion range. Demand is currently strongest in the commercial, industrial and consumer segments. The presence of many large multinational companies in Ireland underpins this demand as the government segment is experiencing budgetary constraints associated with Ireland's fiscal recovery.

### **BARRIERS**

The Irish market for safety and security equipment is very receptive to U.S. suppliers. While there are no major barriers to importing products, companies selling electrical products in the EU must conform to the WEEE and RoHS directives. U.S. Commercial Service Dublin can provide guidance to U.S. suppliers on achieving WEEE & RoHS compliance in Ireland. The standard electricity voltage in the Republic of Ireland is 230V a.c., nominal, at 50Hz, with plugs being of the 3-pin IS411 (BS 1363) type. Any electrical item sold on the Irish market should include a 3-pin plug attached to the power cord. U.S. exporters should also note that the CE (Conformite Europeene) mark is mandatory for a wide range of products sold in the EU. Information on relevant EU standards is available from the U.S. Commercial Service office to the European Union (CSEU - <http://export.gov/europeanunion/>).

### **TRADE EVENTS**

As local trade events only offer promotional opportunities, Irish agents and distributors attend international shows including:

Name of event: InfoSecurity Europe 2013

Date: April 23-25, 2013

Location: London, UK

English language website: <http://www.infosec.co.uk>

Description: Europe's largest trade show for IT security with 350 exhibitors and 12,500 visitors. Over thirty percent of exhibitors are U.S. companies.

Name of event: IFSEC International 2013

Date: May 13-16, 2013

Location: Birmingham, UK

Website: <http://www.ifsec.co.uk>

Description: Europe's largest security trade show with 650 exhibitors and 24,000 visitors. Includes FIREX International, Safety & Health Expo and Facilities Management.

### **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Irish Security Industry Association – [www.isia.ie](http://www.isia.ie)

The Private Security Authority of Ireland – [www.psa.gov.ie](http://www.psa.gov.ie)

Irish Reporting and Information Security Service – [www.iriss.ie](http://www.iriss.ie)

ISSA Ireland – [www.issaireland.org](http://www.issaireland.org)

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## Israel

Capital: Tel-Aviv  
Population: 7.59 million  
GDP: \$ 237 billion  
World ranking: 52  
Currency: Israeli shekels  
Language: Hebrew - Arabic



### SUMMARY

Israel's market for Safety and Security equipment and services is sophisticated and highly competitive. The market is price sensitive, but demands high quality equipment with low failure rates. The market is highly receptive to U.S. products and technologies. Subsectors with most potential for the U.S. industry include HLS equipment, screening technologies, sensors, thermal imaging, cyber security, non-lethal weapons. In the low-end equipment market, most U.S. technologies are not price competitive with Asian products. Israel's safety and security sector industry base of some 600 companies includes manufacturers, integrators and service companies. The local security industry that was originally established to serve local demand is now strongly export-driven with 75-80% of its production going to exports. Good opportunities exist in sales of security items financed with U.S. funds (FMS/FMF) to the local defense establishment. There is a growing trend to avoid the purchase of U.S. export controlled items for integration in systems that are destined for re-export.

### MARKET ENTRY

U.S. exporters interested in the Israeli market need to be prepared to appoint an agent/distributor, who can promote the products/services, introduce them to technical staff and decision makers and provide after sales services. Personal relationships play a strong role in sales. An occasional visit to Israeli customers by U.S. company officials is much appreciated, inspires confidence in the product and in the manufacturer's commitment to provide product support. Israel is a major recipient of U.S. military funding (FMS/FMF) which mandates the purchase of U.S.-made products and services. After the Israel Defense Forces (IDF) prepare their requirements for specific products and determine the technical specifications, IMOD's Procurement and Production Directorate (PPD) makes a strategic decision to use its local currency budget for the procurement or to use U.S. funding. If U.S. funding is chosen, IMOD/PPD transfers the RFQ to [IMOD's NY procurement mission](#) for sourcing in the USA. Procurement in the USA is often a preferred option for IMOD, enabling it to free up the local currency budget for operational needs and for procurements that must be bought locally.

## CURRENT MARKET TRENDS

In the demanding HLS sector, there is ongoing need for high quality, efficient systems with low failure rates. Currently, one of the country's security concerns is safeguarding the offshore natural gas facilities and the maritime transport system supporting the rigs.

Increasingly, the Israeli industry is avoiding procurement of U.S. export controlled components and systems for integration in security systems designed for re-export. Israeli companies consider ITAR a major barrier, and many importers and distributors are now focusing on equipment manufactured in Europe (except UK), S. Korea and other countries that do not impose strict export controls. (See "Barriers" below)

## MAIN COMPETITORS

IMOD has published a [list of local defense companies](#) many of which work in the security sector. Hundreds of U.S. security companies are active in the Israeli market, e.g. L3, Morpho Trust, Raytheon, FLIR, Smiths Detection, SAIC and many more.

## CURRENT DEMAND

Due to diminishing budgets in Israel and in potential export markets, the demand for equipment is decreasing. There are, however, some major projects underway that provide good potential.

- Israel–Egypt Border Barrier. Construction on the 165-mile barrier has begun. It is expected to continue for several years. Estimated cost \$270 million. Its goal is to prevent the entry from the Sinai Peninsula to Israel of illegal migrants from Africa, smugglers and terrorists. The barrier will include cameras, radar and motion detectors.

- Detention Facility. Construction on a 250 Acre detention facility for asylum seekers is due to commence shortly. The facility for up to 8,000 inhabitants will consist of 12 wings, each designed to house 280 refugees. It will be located in the Negev desert at Ketziot prison. IMOD is scheduled to issue the tender for the construction in the coming weeks.

- Fire Service. Following December 2010's Carmel Forest Fire, the Israel Fire Service has received funding to upgrade its equipment, including fire trucks. CS Tel Aviv is working closely with the Israel Ministry of Public Security to ensure the tenders are open to U.S. companies.

## **BARRIERS**

The Israeli market is highly receptive to U.S. products and technologies. However, the restrictions imposed by the U.S. export control authorities, in particular the Department of State (ITAR), are leading Israeli manufacturers to reconsider procurements of U.S. products. Israel is not a signatory to the Wassenaar Arrangement, making U.S. exports to Israel more sensitive. Israeli manufacturers are wary to disclose details about the end-users of its technologies as required by the U.S. authorities. The delays in the delivery of the goods as a result of the licensing process and the need for an intricate tracking and logistics system are additional challenges. These are some of the reasons for a trend in the Israeli industry to avoid the use of U.S. systems if alternative, equal quality technologies are available elsewhere.

## **TRADE EVENTS**

Name of event: Security Israel 2013

Date: June 25-27, 2017

Location: Israel Trade Fairs Center, Tel Aviv

English language website: [www.securityisrael.com](http://www.securityisrael.com)

Description: Annual HLS exhibition.

Name of event: ISDEF 2013 – 6<sup>th</sup> Annual Israel Defense Exhibition

Date: June 4-6, 2013

Location: Israel Trade Fairs Center, Tel Aviv

English language website: [www.isdef.co.il](http://www.isdef.co.il)

Description: Biannual defense and security expo.

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Italy

Capital: Rome  
Population: 61.26 million  
GDP: \$ 1.847 trillion  
World ranking: 11  
Currency: Euro  
Language: Italian



### SUMMARY

Security remains a primary area of focus for the Italian Government. In Italy and across Europe major challenges include enhancing homeland security and combating illegal immigration and crime. Opportunities may be found in the aviation, maritime, supply chain and rail security areas as a result of security measures mandated by regulatory bodies. Suppliers with new, highly technological and sophisticated solutions will have a competitive edge.

### MARKET ENTRY

U.S. companies that do not wish to operate with a direct presence should have an agent or distributor. While the Italian market is still characterized by small, often family-run businesses, distribution channels are transforming from traditional regional distributors to a mixed structure with establishment of company branch offices that cover most of Italy, while keeping regional distributors for some areas. Most manufacturers make use of a well-rooted distribution network that covers all related services as installation, routine maintenance and after sales support. Distribution practices and industrial competence play a fundamental and very delicate role in the safety and security sector. Customer care and having the appropriate skills required to install products are very important requirements for a representative, while competitive prices, reliability, good performance and support are equally necessary on behalf of suppliers.

Imports are carried out by specialized importers/distributors, local subsidiaries of foreign manufacturers, or domestic manufacturers with a distribution network seeking compatible products to broaden their lines. It is important that agents or sales representatives have good working relations with technical personnel within the public and industrial sectors. Agent and distributor commissions normally are in the range of 5-6 percent.

Marketing of U.S. security products can be successful if there is a high technological content. Important technical aspects include interoperability and

integrated, multifunctional solutions. Companies with new, innovative and sophisticated products are able to rapidly gain a large share of the market, but it is important to remain competitive in other ways; market shares can also be lost quickly due to strong competition that characterizes this industry sector. This intense competition also causes profit margins to fluctuate widely. Experience, quality, performance, dependability, flexibility, ease of use, customization of application software and price are also determining factors for successful marketing. The presence of a nationwide service organization that can guarantee installation and maintenance will prove a definite advantage, especially because customers generally will require training, support and maintenance. Local manufacturers are often associated with installation, security, consulting and service firms.

In terms of marketing and distribution strategies, for the public administration it is important to demonstrate the advantages of security solutions through practical presentations (including product demonstration, slides, etc.) highlighting applications running efficiently within the public administration in other countries. To bid for government contracts, foreign firms must either be legally established or have an authorized representative in Italy prior to bidding. In country representation is important to provide installation, training and maintenance services, especially for complex equipment.

Education and training of end users is important. For this reason, it would be wise for U.S. companies to translate manuals, displays, brochures and other materials into Italian.

Financing and trade practices adhere to normal Italian business standards. The majority of financial transactions are handled through private agreements and banking institutions. Italian firms indicate that some U.S. suppliers are too rigid in their payment terms and have thus lost business to other suppliers. Financing is considered as much a competitive factor as the product itself, the delivery date, or after-sales service. While some U.S. manufacturers request payment upon receipt of the goods, more successful sellers offer terms allowing settlement of the account from 60 to 120 days following the invoice date, which is the most common practice in Italy. More information regarding the business climate can be found in the Country Commercial Guide: [http://www.buyusainfo.net/docs/x\\_2856311.pdf](http://www.buyusainfo.net/docs/x_2856311.pdf).

In terms of public procurement, the Italian government does not typically purchase goods and services abroad unless they cannot be procured locally through domestic sources, which would include subsidiaries, branches and agents of U.S. companies. In order to be considered as a source for Italian government purchases, it is recommended that the U.S. firm be represented by

an agent/distributor rather than try to deal directly with Italian government agencies. Invitations to bid on tenders are published in the official European Gazette and in the official Italian Gazette. The U.S. Commercial Service at the U.S. Mission to the European Union has developed a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the Government Procurement Agreement (<http://export.gov/europeanunion/>). [http://ec.europa.eu/internal\\_market/publicprocurement/index\\_en.htm](http://ec.europa.eu/internal_market/publicprocurement/index_en.htm) offers access to EU public procurement announcements free of charge.

## CURRENT MARKET TRENDS

The safety and security equipment market was valued at approximately USD 4.6 million in 2011. Italy has an established domestic safety and security industry with a reputation for high quality products. Italian production is well distributed across the various security equipment product categories. The industry is comprised of a sizable number of small and mid-sized locally based firms. The main U.S. players including Honeywell, GE Security, UTC Fire and Security, and DuPont, for example, are present in the market.

The safety market is forecast to remain stable in 2013. Experts indicate that the security equipment market should show positive signs of recovery in 2013. Technologies in this segment are mature, and economic uncertainty will continue to decelerate investments in R&D. These factors, coupled with potential developments in the standards area that should impact future development of new materials and equipment, should present opportunities for advanced U.S. technologies. Technologies continue to converge toward digital and away from analog solutions. Equipment that improves energy efficiency and promotes sustainable development will find opportunities in the market. Opportunities exist in the CBRN area for new materials and technologies.

Within the anti-intrusion sector, access control (AC) remains an important and highly competitive area with more than 1000 manufacturers, suppliers, and installers. The Italian AC market is the fourth largest in Europe after France and the U.K. and represents a vital part of the security industry, comprising 40 percent of the entire market. With the growing threat from illegal immigration and rising crime levels, access control is being accepted as a crucial security measure.

The industry is migrating toward IP and integrated solutions. The trend is to move away from proprietary technology toward open systems that allow the integration of multiple applications. Other drivers include the growth of time and attendance applications, the demand for smart card and optical card systems, the need to reduce fraud and gained acceptance of biometric systems. Training for integrators and installers is essential in order to effectively meet end user needs.

End users are varied and include private and public organizations, banks, and private citizens. While public spending will remain weak in the near term, continued opportunities exist among large organizations, banks and private citizens. Approximately 5 million homes lack security systems. A sense of vulnerability and insecurity, particularly among the female population, is increasing.

## **MAIN COMPETITORS**

Some of the main competitors in the AC segment include Honeywell, Selestia Ingegneria, Siemens, Prastel, GE, Zucchetti, Gemplus, Cronos, Hesa, Kaba, Bosch, CDV Italia, Spazio, Axess TMC, Plexa, Apice, Cotini, Apromix, ArTech, BAS Italia and Mesa. The Finmeccanica Group is also an important player as it owns a good number of medium-sized system integrators such as Selex ES.

## **CURRENT DEMAND**

Within the safety area, potential opportunities exist in CBRN protection, particularly for new, advanced sensors that reveal chemical agents and provide more effective protection. In terms of investments in this niche market, only minor cuts have been seen in the budgets of the responsible agencies.

Experts forecast that demand in the AC sector will continue to grow, particularly for integrated systems and network solutions that converge with building automation systems. Acceptance for biometric systems has been slow but gradually increasing. Demand is largely focused in the more industrial northern region. Commercial offices and financial institutions are some of the key end users, and government organizations have increasingly begun to use AC systems. The manufacturing sector is using mid- to high-end solutions.

Demand for digital CCTV solutions is on the rise and the upward trend is expected to continue, also in part due to an increase in demand from local administrations to manage urban security, considered a key concern particularly with the recent rise of crime and burglaries. Opportunities exist for private security operators – such as security guard service companies – to provide technology and services to private citizens. Examples of public-private collaboration include municipalities and private security service companies that utilize public security cameras and CCTV systems installed by banks, pharmacies, etc, to survey areas and provide services to businesses or private citizens, all in cooperation with the municipal police.

Airport security continues to be a major focus following terrorist attacks in Europe. Italy was among the first European countries to initiate tests of body

scanning technology. Tests were concluded in 3 major Italian airports with funding made available by the Ministry of Interior. The technology was approved in the Spring of last year. The Ministry of Interior purchased 2 body scanners (one for Milan Malpensa airport and one for the Rome Fiumicino airport) and has added two more (one each airport) in January of this year.

Another priority area includes maritime security with regard to illegal immigration, piracy and hijacking issues in the Mediterranean. Immediate opportunities can be found for maritime surveillance technology.

Fiumicino 2 is a major airport development project involving private investments of USD 16 billion. Rome's Fiumicino airport is now the 6th most important airport in Europe, and expansion will allow it to become a major European hub and Ciampino a city airport. The project will include investments in screening technology (passengers, personnel, baggage), access control and surveillance systems. Other development projects may arise following a review of the national airport strategy and the need to face the capacity crunch in Europe.

The need to protect critical infrastructures, with an emphasis on the threat of cyber-attacks, is a new priority. The European Program for Critical Infrastructure Protection (EPCIP) is designed to increase security and public order during a crisis situation and includes improvements in the protection of critical infrastructures including logical and physical security solutions to be put in place. To comply with the EPCIP Directive Italy will need to upgrade critical infrastructure sites. In April 2011 the Italian Government approved Legislative Decree 61/2011 to comply with the EPCIP and EU Directive 114/08 regarding European Critical Infrastructures (ECI) designation and protection.

## **BARRIERS**

The "CE" (Conformité Européenne) mark is mandatory for a wide range of products sold in the EU. The CE mark relates only to the mandatory health, safety, and environmental requirements established by the EU; it does not indicate conformity to European product standards. The CE mark does replace all national safety marks for the regulated products. The applicable product testing and certification requirements for individual product categories are specified in EU directives.

Companies selling electrical and electronic goods in the European Union must conform to the EU legislation for electrical and electronic equipments (EEE), which includes: The Waste Electrical and Electronic Equipment Directive (WEEE), and the Restriction of Hazardous Substances Directive (RoHS). For additional information, visit <http://export.gov/europeanunion/weeerohs/index.asp>.

Safety and security equipment must comply with the official technical standards pertaining to electrical and electronic equipment by various Italian public and private agencies, that includes ISO (International Organization for Standardization) 9000 standards and others set forth by ISPESL (Istituto Superiore per la Prevenzione e la Sicurezza sul Lavoro), CEI (Comitato Elettrotecnico Italiano), and UNI (Ente Nazionale Italiano di Unificazione). Details regarding these standards can be obtained by contacting the American National Standards Institute (ANSI).

Other issues to bear in mind include the use of 220 voltage and 50 Hz in Italy. In addition, there are high voltage and vibration standards of the International Electrotechnical Commission (IEC) to be adhered to for projects in the marine and railways sectors.

## TRADE EVENTS

Name of event: Civil Protect

Date: March 22-24, 2013

Location: Bolzano

English language website: <http://www.fierabolzano.it/civilprotect/>

Description: International trade show for Civil Protection, Fire Prevention and Emergency.

Name of event: ITEC

Date: May 22-24, 2013

Location: Rome International Fairgrounds

English language website: <http://www.itec.co.uk/>

Description: International Forum for the Military Training, Education and Simulation Sectors.

Name of event: Focus Security at Forum PA 2013

Date: May 28-30, 2013

Location: Rome Congress & Expo Center

English language website: <http://techfor.forumpa.it/en/>

Description: International exhibition of security technology for law enforcement and information security technology.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

ANCISS: Associazione Nazionale Sicurezza ed Automazione Edifici (National Association of Manufacturers, Installers and of security equipment - part of ANIE)  
<http://www.anciss.it/>

ANIMA: Federazione delle Associazioni Nazionali dell'Industria Meccanica varia ed Affine (Federation of the Italian Associations of Mechanical and Engineering Industries)  
<http://www.anima.it/>

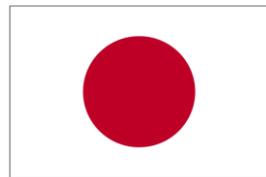
Showcase Europe Website:  
<http://export.gov/europe/>

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Japan

Capital: Tokyo  
Population: 127 million  
GDP: \$ 4.389 trillion  
World ranking: 5  
Currency: Yen (JPY)  
Language: Japanese



### SUMMARY

The overall size of the Japanese security market is \$6.3 billion, including equipment and services and the market is projected to grow by three percent a year for the next few years.

In the aftermath of the Fukushima nuclear power plant accident, many Japanese trading firms are carrying more radiation protective products and detector equipment. Thus, the market for radiation protection-related products has become highly competitive. The market for personal protective equipment for workers and new technologies capable of treating contaminated soil is expected to show growth. Cloud computing services for data backup have attracted considerable attention because many Japanese companies experienced losses of vital data and systems from damage caused by the devastating earthquake and tsunami. According to the Japanese Ministry of Internal Affairs and Communications (MIC), the cloud services market in Japan continues to grow strongly and is projected to increase from US\$4.5 billion in 2010 to US\$27.9 billion in 2015. Along with cloud computing market growth, there are various potential business opportunities in IP-based security systems and equipment.

### MARKET ENTRY

U.S. exporters are encouraged to consider partnering with Japanese manufacturers or finding trading firms or systems integrators working in the security systems import and sales field since the Japanese security products market is already well covered by both domestic manufacturers and distributors who represent foreign products. To enter the Japanese security market, U.S. firms must be customer-oriented. It is therefore strongly recommended to establish a good long-term partnership with Japanese companies/agents. There are potential business opportunities for various niche products as potential Japanese end-users are always seeking innovative technologies and products that are environmentally friendly and cost effective. For U.S. firms interested in supplying equipment to government agencies, it is essential to have a local

distributor to follow the government procurement processes, technical details and timing of acquisition decisions.

Participating in one of the Japanese trade shows below can provide good opportunities to meet with potential partners and gather market intelligence.

### **CURRENT MARKET TRENDS**

The development of various IP (Internet Protocol)-based systems along with cloud computing has had a significant impact on the physical security market. Japan recently completed its transition from analog to digital broadcasting, and the digital environment prevails in the Japanese market. This digital environment will enhance a trend towards IP-based security systems and equipment, for example switching from traditional analog cameras to IP cameras. With the shifting of the security systems market from analog to digital technology, there are potential business opportunities to enhance existing systems using more sophisticated digital technologies.

### **MAIN COMPETITORS**

Corporate technology giants in Japan such as Fujitsu, Hitachi, Mitsubishi, NEC, Oki, Panasonic, Toshiba and Sony are tough local competitors in the market. There are also many foreign players active in the Japanese security market.

### **CURRENT DEMAND**

U.S. homeland security and anti-terrorism segment products, including those for government procurement enjoy a favorable position in the Japanese market, as U.S. technological leadership in such products is recognized. In light of the recent disaster in Japan, many Japanese companies are reconsidering their existing Business Continuity Planning (BCP) and so cloud computing services have attracted increasing attention as a way to protect their important data. There are great potential business opportunities for cloud computing services in the business continuity planning market.

### **BARRIERS**

There are no significant regulatory issues for this market. However, the Japanese market is highly competitive. Good after-sales service is considered essential; the Japanese government and corporate clients demand high level after-sales support and service.

## TRADE EVENTS

Name: Security Show

Date: March 5-8, 2013

Location: Tokyo

English language website: <http://www.shopbiz.jp/en/ss/>

Name of event: Office Security Expo

Date: July, 2013

Location: Tokyo

English language website: <http://www.reedexpo.com/en/Events/2393/OSEC>

Name of event: Risk Control in Tokyo (RISCON)

Date: October 2-4, 2013

Location: Tokyo

English language website: <http://www.kikikanri.biz/english/index.html>

Description: Safety and Security Trade Expo

Name of event: Special Equipment Exhibition & Conference for Anti-Terrorism (SEECAT)

Date: October 2-4, 2013

Location: Tokyo

English language website: <http://www.seecat.biz/english/index.html>

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

Japan: IP-based Physical Security Industry

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## Jordan

Capital: Amman  
Population: 6.5 million  
GDP: \$ 36.94 billion  
World ranking: 103  
Currency: Jordanian dinars  
Language: Arabic



### SUMMARY

Located in the middle of an unstable and volatile region, Jordan depends on its security sector to play a fundamental role in its national security and continued survival. There are three government entities responsible for maintaining the security in the Kingdom: The Jordan Armed Forces (JAF), The Jordan Intelligence Department (JID) and the Ministry of Interior that supervises the Public Security Directorate (PSD), the Gendarmerie and the Civil Defense Directorate. All of these organizations are always looking to bring the latest equipment and technologies to enable them to provide the highest protection against terrorism and in maintaining border security. The government takes an active role in implementing safety measures and identifying problem areas.

The Safety & Security market in Jordan is divided into four segments: premises security equipment, personal protection equipment, security services and fire fighting. Although most of the needed equipment is imported from the U.S., Asia and Europe, it is worth mentioning that there is an increasing amount of security equipment and devices assembled or made in Jordan through the King Abdullah II Design and Development Bureau (KADDB).

The commercial demand for safety and security equipment has risen in recent years in the banking, construction (commercial & residential), the hotels and tourism sectors. The government's policy for the highest security conditions possible at various local levels has created the demand for the importation of such equipment.

The Free Trade Agreement (FTA) between Jordan and the U.S. plays an important role in opening new market potentials due to the elimination of customs tariffs between the two countries.

### MARKET ENTRY

The Jordanian market is favorable towards imports. American companies interested in entering the Jordanian market are advised to establish business

agreements with local representatives. Local distributors usually use Letters of Credit (L/C) when dealing with foreign suppliers of safety and security equipment. A grace period of 30 to 90 days is granted to local distributors to settle their accounts. This is because public sector contracts may request credit in their procurement tenders. While suppliers offering credit will certainly have a better chance of winning bids, sales without credit are sometimes made since other factors such as price, quality, and a delivery schedules may be of greater importance.

## **CURRENT MARKET TRENDS**

The main end-users of safety and security equipment are the public sector, which includes the Jordan Armed Forces, the Public Security Directorate, the Civil Defense Directorate the General Intelligence Department, the Customs Department, Passports Department, Aqaba Ports Corporation, Civil Aviation Authority and the main governmental buildings in Amman.

The biggest end-users in the private sector include 24 banks, 281 hotels, 26 universities and several huge real estate projects. All those end-users will need cameras, general security systems, vaults, electronic security systems, identification systems, armored trucks, surveillance systems, and fire systems. The U.S.-Jordan Free Trade Agreement (FTA), which entered into force in 2001, which is currently fully in effect, eliminates duties and commercial barriers to bilateral trade in goods and services originating in the United States and Jordan, which gives U.S.-made equipment an advantage against other countries.

Price is the toughest obstacle for U.S. companies, but Jordanian end-users also take into consideration and place high value on post sales service, including installation, training, and maintenance.

## **MAIN COMPETITORS**

Imports from ten countries account for 80% of Jordan's Safety & Security equipment market. The U.S. is ranked third as a single country in terms of exports with a market share of nearly ten percent after China and South Korea.

## **CURRENT DEMAND**

### **Theft/Intrusion**

- Intrusion, Robbery and Burglary Systems, Burglar and motion alarms, Vehicle anti-theft and tracking, Electronic and video surveillance (CCTV, GPS, IP network), Alarm signaling equipment, Safes and vaults.

### **Bank Specific / Fraud**

- Metal detectors, x-ray and handheld scanners.

### Safety and Property Security Systems

- Fire Protection Systems, Alarms, Fire and smoke detection, Passive fire protection products, Fireproofing, Automatic fire sprinkler, Fire suppression including water and chemical extinguishing, Fire trucks, Ambulances, Safety headgear.

### Public Safety

- Detection instrumentation, Parts used for electrical signaling for safety and traffic control (e.g., roads, parking facilities, port installations and airfields).

### Electronic Security

- Financial and Network ICT Security, LAN / WAN / Wireless technology, Forensic software.

## **BARRIERS**

American companies need to determine through appropriate U.S. government agencies whether their products need an export license before shipping. Export licenses are issued either by the State Department or the Bureau of Industry and Security at the Department of Commerce depending on the product and end use of the product.

## **TRADE EVENTS**

Name of event: Special Operations Forces Exhibition and Conference (SOFEX)

Date: May 5-8, 2014

Location: Amman

English language website: [www.sofexjordan.com](http://www.sofexjordan.com)

Description: SOFEX is considered the world's major Special Operations and homeland security event, which takes place biennially at the King Abdullah I Airbase in Amman.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Jordan: Safety & Security Equipment Market 2010

## **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Korea, South

Capital: Seoul  
Population: 50 million  
GDP: \$ 1.549 trillion  
World ranking: 13  
Currency: South Korean Won (KRW)  
Language: Korean



### SUMMARY

The Korean market for safety and security has become very sophisticated and, in most sectors and subsectors, is saturated. The desire to buy from local suppliers satisfies a majority of the market segments. However, U.S. companies who provide advanced and innovative technologies, consulting services in industry guidelines and standards, and training programs may find some niche market opportunities in the Korean market.

Korea boasts a low crime rate and touts that most citizens in major cities are captured on CCTVs every 12 seconds.

### MARKET ENTRY

Government agencies are the primary end-users for the most advanced foreign technology products. U.S. companies are encouraged to monitor government procurement plans ([pps.co.kr](http://pps.co.kr)) and establish consortia with prime Korean contractors with knowledge of 'systems integration'.

A notable factor that influences government end-users' decisions on security systems is the timely provision of operational parts and after-sales service. Government end-users also take previous contract performance history into consideration in their procurement process. Generally, at least a two year warranty service period for security systems is a necessity.

### CURRENT MARKET TRENDS

In Korea, approximately five percent of total demand for security systems is created by government end-users. Demand for anti-terrorist and illegal product detection systems will sustain healthy growth while demand for security systems for regular government facilities and commercial buildings have been fully met and have limited future growth potential.

## MAIN COMPETITORS

Industry experts forecasts that U.S. companies will maintain its current steady import market position but with Korean government's preference for localized products, competition from local manufactures will increase. Additionally, significant market pressure for price reduction and discounting continue to affect U.S. business. Generally speaking, U.S. companies currently dominate the top-end of the market while Europeans firms have a larger presence with mid-quality products. Korean end-users praise U.S. product's excellent performance and reliability.

## CURRENT DEMAND

U.S. companies offering a proactive approach in security solutions that are interoperable with new, emerging technologies are going to find many opportunities in the Korean market.

U.S. firms are the major suppliers of airport and port security equipment, which includes X-ray scanning systems, computerized tomography scanners, magnetometers, hand-held detectors and explosive trace detectors. U.S. imports account for 30 percent of the port security market. With port expansion occurring at Busan, Incheon and Pyongtaek (relocation site of U.S. Army Garrison), market opportunities will remain strong. Opportunities also exist for replacement of existing systems at current airports as well as new systems for upcoming airport expansions.

Korea's 119 (equivalent to U.S. 911) and fire department security inventory has been sourced through foreign companies. They include: specialty trucks such as biochemistry rescue trucks, elevated ladder trucks, mixed bending ladder trucks, ambulances etc.; underwater detectors; helicopter navigators; satellite phones; infrared ray cameras; and, rescue crew locators. Although the size of demand is small, they offer product areas for foreign supplies.

Korea, as a first tier Asian nation, continues to win a prominent place as 'host' of major 'world-events (2010 G-20 Summit, 2011 Nuclear Summit, 2018 Olympics, etc.) which brings high-level dignitaries and congresses to its major cities. Having integrated 'security systems' and manpower in place is essential.

It was recently reported that the number of fire-fighters who die in the line of duty, for example, is considered high (8 in 2011) -- because of a 'lack of a systematic command' while fighting these fires.

## BARRIERS

Prime contractors generally integrate and install security systems on a project basis which means that contractors provide local systems which are very often manufactured by the contractors and occasionally include foreign made systems which are not available on the local market due to a lack of technology.

Therefore, foreign systems are required to be compatible in order to interface with locally manufactured devices such as CCTVs, monitors, etc. Suppliers of such compatible systems should enjoy better opportunities to be selected by end-users due to the Korean government's preference to use domestic sources if they are available in the market.

## TRADE EVENTS

Name of event: Korea International Safety & Health Show

Date: Mid-July 2013 and 2014

Location: COEX, Seoul

English language website: <http://www.kiss21c.org/index.php?lang=EN>

Description: This annual '*Occupational Safety and Health Convention*' aims to raise awareness of the importance of safety and health at work as well as the prevention of occupational accidents.

Name of event: Security World Expo

Location: COEX, Seoul

Date: May 21-24, 2013 and 2014

English language website: <http://www.securitykorea.org/>

Description: '*Security Korea*' is the leading annual global security event which provides all the key elements that support strong business partnerships in Korea's security markets.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

*Korea Country Commercial Guides*: 2010-2012. Please contact our office at: [Office.Seoul@trade.gov](mailto:Office.Seoul@trade.gov)

Korea Fire Safety Association: <http://www.kfsa.kr/>

Korea Electrical Safety Corporation: <http://eng.kesco.or.kr/>

Korea Gas Safety Corporation: [http://www.kgs.or.kr/kgsmain\\_eng/index.do](http://www.kgs.or.kr/kgsmain_eng/index.do)

Public Procurement Service: [www.pps.go.kr/english](http://www.pps.go.kr/english)

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## Kuwait

Capital: Kuwait City  
Population: 3.7 million  
GDP: USD 157 billion  
Currency: Kuwaiti Dinars (KD)  
Language: Arabic (official), English



### SUMMARY

Kuwait plans to reportedly invest a significant percentage of its fiscal budget in safety and security equipment through 2020 and beyond. Kuwait defense and security forces will be looking to purchase surveillance equipment, perimeter security and control systems, security check point equipment (fences, crash barriers, cameras, access points), explosives and EOD, and contraband detection systems including scanning systems and consulting services in security planning.

Since 2011, Kuwait's Ministry of Interior alone began tendering for various Homeland Security Infrastructure projects. All necessary approvals have been issued and local companies are in the pre-qualification stage prior to the tenders being released.

Several projects currently under consideration include:

- Camera surveillance systems to be installed in and around transportation infrastructure points;
- Geospatial intelligence connectivity, maritime netting, and sensors to minimize security threats to vessels,
- Security facilities around oil refineries and power plants (stations),
- Production facilities and loading platforms including ports, and
- The hardware and software infrastructure needed to support a fully integrated C4I Surveillance and Reconnaissance system.

### MARKET ENTRY

U.S. firms should plan their market entry carefully as Kuwait is a complex market in comparison to other economies in the GCC. The best strategy is to select a qualified local distributor who is knowledgeable, experienced, and has an existing business relationship with Kuwait's Ministries of Interior and Defense. The U.S. supplier has to negotiate in advance with his local partner on all business details that include marketing strategy and short- and long-term objectives. Before signing an agreement, it is highly advisable to consult with a legal advisor. Local

firms in Kuwait prefer to sign long-term agreements that last for at least five years.

## MAIN COMPETITORS

Kuwait has many opportunities in the safety and security sectors and U.S. technologies are appreciated. However, there is strong competition from other countries, including international manufacturers from European countries.

## CURRENT DEMAND

Upcoming tenders will be announced for homeland security surveillance cameras, airport security upgrades, oil and oil-related infrastructure security upgrades, border control, and surveillance. Additional projects will range from system integration to hand-held monitoring devices and long-range detection equipment.

## BARRIERS

There are two main barriers to enter Kuwait's market. First, there is strong competition among local companies that represent U.S. suppliers. During the evaluation period, they try to interfere in the procedural and assessment phase. As a consequence, tenders can stay open for many years awaiting a final decision.

Second, offset obligations are required for any defense contracts signed valued over USD 10 million with the Kuwaiti Government. As a general rule, the offset obligation is roughly 35% of the net monetary value of the supply contract but can be reduced if subcontracts signed with a local Kuwaiti companies or goods and services purchased locally. U.S. firms should study offset obligations and discuss it with their local partner before submitting their bid.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

Available on [export.gov/KUWAIT](http://export.gov/KUWAIT)

- **Country Commercial Guide (CCG) 2012 – Doing Business in Kuwait**

The CCG 2012 presents a comprehensive look at Kuwait's commercial environment, including economic, political and market analysis. Download this document at: [www.export.gov/kuwait/doingbusinessinkuwait/index.asp](http://www.export.gov/kuwait/doingbusinessinkuwait/index.asp)

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## Malaysia

Capital: Kuala Lumpur  
 Population: 29 million  
 GDP: \$ 447 billion  
 World ranking: 30  
 Currency: Ringgits (MYR)  
 Language: Bahasa Malaysia (official), English,  
 Chinese (Cantonese, Mandarin,  
 Hokkien, Hakka, Hainan, Foochow), Tamil,  
 Telugu, Malayalam, Panjabi, Thai



### SUMMARY

The total Malaysian safety and security sector is estimated at US\$2 billion and is expected to grow. In the recent 2013 Budget, the Government of Malaysia has allocated US\$1.5 Billion for national security however of this amount US\$1.3 billion is for the defense sector while only and US\$200 million is left for internal security. Private consumption of safety and security equipment has also risen over the last decade mainly due to the increased rate of urbanization, a growing middle class owning assets which they wish to protect and a lack of faith in the local law enforcement.

Public consumption is mostly government initiated purchases for the maintenance of law and public order, which is long and tedious process. On the private consumption it is usually driven by purchases of new homes, cars and other assets that the common consumer wishes to protect. In the latter such consumption tends to be reactive in nature, incidents of break-in of neighbors, friends or relatives will prompt most Malaysians to re-evaluate their security requirement and quickly search and invest in a basic security system, which usually comprised of a control panel with two keypads, door sensors, window sensors, motion detector and panic buttons. The more affluent consumers will consider adding closed-circuit television (CCTV) to record incidents.

Until recently, most consumers based their selection process purely on price. In the last five years, there is a significant change in attitude and mindset of consumers whereby quality and reliability also play a major role in selecting the type and brand of security products to invest in. The demand for technologies to keep users updated on the status of their security system. These usually include remote access via smart phones through internet, instant notifications via SMS and/or monitoring companies. New solutions like intelligent video surveillance

and cloud security devices are also gaining popularity, especially among the more affluent segments of the market.

## **MARKET ENTRY**

This sector can be divided into two distinct segments, (a) public consumption and (b) private consumption. While US brands enjoy dominance in the market with good reputation on reliability, ease of market entry is not always guaranteed in the public consumption. For US firms interested in supplying equipment to the Government of Malaysian, national utility companies, national oil corporation, railway company, airport and seaport operators, it is essential to have an active locally-incorporated Bumiputera representative to follow the process, technical details and timing of acquisition decisions, to ensure that the company's products are accurately and effectively presented to relevant decision-makers, and to assist in arranging timely contacts for home office visiting representatives.

For the private consumption segment, the distribution chain is fairly simple. The US firms appoints an importer/agent/dealer who will then distribute the products via their distribution/sales channels which in turns sell to end-users.

## **CURRENT MARKET TRENDS**

For the private consumers, the emerging trend is the demand for technologies to keep users updated on the status of their security system. These usually include remote access via smart phones through internet, instant notifications via SMS and/or monitoring companies. New solutions like intelligent video surveillance and fog security devices are also gaining popularity, especially among the more affluent segments of the market

## **MAIN COMPETITORS**

US companies presently dominate the market for both the public and private market segments. However, Chinese and German companies are fast gaining footholds in the market, especially for point of entry equipments and for the private consumer market, Taiwanese and Chinese are eroding US market share with newer and price competitive surveillance and prevention systems.

## **CURRENT DEMAND**

Current demand from the public sector is for equipment for internal security, cyber crime and intelligent cameras with tracking video systems that analyze behaviors and physical barriers

While demand from the private sector is more varied including residential monitoring, surveillance video/camera and recording systems, anti-intrusion

alarms, biometrics access controls, security software components for databases and automated facial recognition systems

## **BARRIERS**

There are no barriers to market entry for safety and security equipment. Most safety and security equipment, require certification from the *Standards and Industrial Research Institute of Malaysia* (SIRIM) the local certification body for quality and reliability.

Local manufacturers/assemblers of safety and security equipment are usually low to mid-range, both in technology and pricing. These includes burglar and fire alarm sub-systems, lock systems and code access systems for commercial and residential use, CCTV and intercom, fire-fighting equipment and accessories, safes and vaults etc.

In order for U.S. companies to increase their presence and market penetration in Malaysia, they must create market niches, promote their products aggressively, and form partnerships or joint ventures with local companies.

## **TRADE EVENTS**

Name of event: LIMA 2013

Date: March, 2013

Location: Langkawi Island

Website: <http://www.lima.com.my>

Description: The *Langkawi International Maritime and Aerospace* Exhibition is a limited entry exhibition for the defense and security exhibition accessible only to relevant law enforcement and uniformed personnel only. The event is held once every 2 years.

Name of event: GPEC 2013

Date: June 17-19, 2013

Location: Putrajaya

Website: <http://gpecasia.com.my>

Description: The *General Police and Special Equipment Exhibition & Conference* is a closed-door exhibition safety and security exhibition accessible only to relevant law enforcement and uniformed personnel only. The organizers will only grant exclusive access to visitors from relevant agencies and departments with authority identification cards. The event is held once every 2 years.

Name of event: CyberSec Asia

Date: September 11-13, 2013

Location: Kuala Lumpur

English language Website: <http://www.cyberasiasecasia.com>

Description: *Cyber Security Exhibition* profiling the latest in technology designed to protect data, banking finance fraud, commercial espionage and a wide variety of cyber security issues.

Name of event: IFSEC Southeast Asia

Date: September 11-13, 2013

Location: Kuala Lumpur

English language Website: <http://www.ifsecsea.com>

Description: The *International Fire Security and Safety Exhibition and Conference* is international security and fire safety solution providers with government and commercial buyers in the region.

Name of event: DSA 2014

Date: April, 2014

Location: Kuala Lumpur

English language Website: <http://www.dsaexhibition.com/>

Description: The *Defense Service Asia* exhibition is a limited entry exhibition for the defense and security exhibition accessible only to relevant law enforcement and uniformed personnel only. The event is held once every 2 years.

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## Mexico

Capital: Mexico City (Mexico, D.F.)  
Population: 112.3 million  
GDP: \$ 1.657 trillion  
World ranking: 13  
Currency: Mexican pesos (MXN)  
Language: Spanish only 94%  
Spanish and indigenous languages 5.9%,  
Indigenous only 0.8%



### SUMMARY

Safety and security are one of the most dynamic sectors. It includes several market segments: from personal security devices to national security technologies and equipment. Over the last few years, the market has been growing due to the deterioration of security conditions in Mexico as a consequence of the spread of criminal group activities and their relationships with drug traffickers.

Business opportunities are present in several market segments, but local presence and language capabilities support the development of an effective market entry strategy. U.S. firms must dedicate time and effort to compete with products from other countries, as well as with local manufacturers. U.S. security products have a good market reputation and end-users are familiar with U.S. trade brands and common consumer habits.

### MARKET ENTRY

The Mexican security market has been growing an average of 15% over the last two years and 25% in certain segments, such as biometrics, armored services, and bullet proof vests. However, Mexico has a very open economy and its security market is evolving to become a more mature and specialized market. Several trade agreements with many countries have forced local manufacturers to increase their quality and be more competitive to take advantage of new consumers' needs.

The security market has the presence of international brands, such as: Pelco, Tyco and Schneider. They have been working with a well-established local presence and a solid sales force, including branches in other cities such as Guadalajara, Monterrey, Puebla, and Veracruz. However, new companies that are trying to open the market for its products may opt for other market strategies, such as strategic alliances, local partners, local representatives, and distributors.

## CURRENT MARKET TRENDS

The security market evaluates not only final price, but after-sales service, OEM support, warranties offered, logistics and repair capabilities. The public sector has been a large consumer of security solutions from both the federal government and, recently, state governments. The restructuring of several law enforcement units, the modernization of its equipment, and the increase of trust controls in police groups have supported the investment in new security tools. New C3 and C4 installations at different parts of the country are an example of this recent security modernization.

The private sector is playing a bigger role in the security market due to the urgency to protect employees and firms' assets. The market shows a tendency toward offering turn-key solutions or completed projects that integrate different systems, using existing and new systems to improve efficiency and operate 24 hours a day. If in the past the investment in security and safety were expenditures, today it is an investment for the commercial, banking, educational, and industrial sectors.

The security market reflects the type of most common crimes that occurred in 2009-2010. INEGI's security surveys indicate that crimes reported at Public Investigative offices (Ministerio Público), under the category of common jurisdiction ('fuero común') were in total 1.6 million of which:

- Robbery: 41.4%
- Other crimes: 18.5%
- Injuries: 14.5%
- Damages: 9.5%
- Frauds: 4.2%
- Threats: 2.4%
- Domestic violence: 1.9%

However, it is estimated that only three crimes in 10 are reported and much less for extortion and kidnapping cases. In this context, the security market has been expanding to try to face this situation and reduce individuals and organizations' exposure by the acquisition of security equipment, from personal protection devices to national and police security systems.

## MAIN COMPETITORS

Mexico as an open economy imports from the entire world; in the security market its imports from China and Korea have been gaining market share. However United States has a major market share, it remains the first trading partner to Mexico, and a top supplier, taking advantage of proximity, logistic costs, quality, and R&D practices.

Large security firms have been in this market for a long time, such as Bosch, Mitsubishi, Samsung, Anixter, but other firms from Colombia and Israel aggressively compete with other traditional suppliers; in particular in some products, such as personal protection equipment (plates/garments) and in aerial surveillance equipment. The difference among competitors is seen in client service, after -sales support, and equipment and products adaptations according to client's needs.

## CURRENT DEMAND

Security devices for personal, residential, and commercial protection are the most “in demand” security products. The top ten product categories with high demand in Mexico are: CCTV, alarms and anti-burglary systems, IP cameras, access control, biometrics systems, monitoring systems, fire protection and detection controls, vehicle tracking GPS, security doors, and computer systems applied to security, and communication equipment,

The current administration is conducting several changes in public security policy and the previous Secretary of Public Security (SSP) is now an Under-secretary in the Ministry of Interior (SEGOB). Together with the establishment of a Gendarmerie, new prisons projects going on, police groups trust verification, better training for special task groups, and the division of the entire country in five divisions with a unique police command, security consumption will be significant and new projects will be announced in the coming months. At the same time, public sector demand will be stronger in the second semester, when the new teams are fully operating.

## BARRIERS

In the security market, Mexico has not imposed any extra trade barriers to importations coming from the United States. The international trade liberalization that Mexico started several years ago has continued in many other products with the reduction of importation duties. Regarding security products, U.S. firms should pay attention to local standards (electric and electronic components) under the name of NOM's (Norma Oficial Mexicana) that are required to protect human consumption. In addition, level standards and warranties explained/translated into Spanish are still being applied and must be obtained

before products are shipped to Mexico. In 2012 (January-November), Mexico's total imports from the United States reached USD\$199.9 billion and it is the second export market for U.S. products and services.

## TRADE EVENTS

Name of event: Expo Seguridad Mexico

Date: April 23-25, 2013

Location: Mexico City

English language website: [www.exposeguridadmexico.com](http://www.exposeguridadmexico.com)

Description: Expo Seguridad is the main security trade show in Mexico. In 2013, it will reach its 11<sup>th</sup> edition with a record number of visitors up to 12,600. In 2012, its total number of exhibitors were more than 300 firms, including local and international firms. Expo Seguridad is a USDC Certified Event and organized by Reed Exhibitions.

Name of event: Expo Mundo De La Seguridad

Dates: October 30-Nov. 1, 2013

Location: Monterrey, Nuevo Leon

English language website: [www.expomundodelaseguridad.com](http://www.expomundodelaseguridad.com)

Description: Expo Mundo de la Seguridad is a recent trade show that started in 2011 to offer security products for the Northeast part of the country. In 2012, it had 75 exhibitors and visitors reached 2 million people.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

Safety and Security Equipment and Services (July 2012)

[www.inegi.gob.mx](http://www.inegi.gob.mx)

[www.secretariadoejecutivo.gob.mx](http://www.secretariadoejecutivo.gob.mx)

[www.mucd.org.mx](http://www.mucd.org.mx)

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## The Netherlands

Capital: Amsterdam  
Population: 16.73 million  
GDP: \$ 701.4 billion  
World ranking: 23  
Currency: Euro  
Language: Dutch



### SUMMARY

Although the Netherlands is geographically a relatively small market, it holds ample opportunities for U.S. suppliers of safety and security products. The industry is relatively transparent and it is fairly easy to identify key players. Nevertheless, U.S. companies are highly recommended to consider working with a local representative in order to take advantage of upcoming opportunities in a timely manner. Although competition is strong, U.S. suppliers with advanced technology and a good price/quality ratio can expect to do well in the Netherlands.

### MARKET ENTRY

There are more than 75 reputable and well-established agents and distributors on the Dutch safety and security market. All of them offer after-sales services and have excellent contacts both in the private and government sector. Most of these companies are looking for innovative products on the world market to meet new standards and requirements demanded by a continuing tightening of security measures. U.S. manufacturers of safety and security equipment and systems interested in marketing their products in the Netherlands are encouraged to work with a local partner.

A reputable agent with good contacts can provide important and timely information, which is often not readily available through public sources. In addition, in light of complicated tender and import procedures, it can be challenging to beat the competition and sell effectively without a competent agent. Companies choosing local representatives can expect to benefit from their knowledge of the market, local technical expertise, existing customer base, local marketing and sales experience, and services such as installation, maintenance, training, and after-sales service.

The Dutch are receptive to U.S.-origin safety and security products, which are well known for their innovation and quality. In addition to compliance to EU product standards, price and quality are the dominant purchasing factors.

## CURRENT MARKET TRENDS

The Netherlands is a comparatively safe nation with a low crime rate, but estimates reveal that up to fifty percent of all companies and organizations have been the victim of some type of criminal act. In terms of residential security, 12.5% of Dutch citizens have an alarm installation at their home and 66% have extra locks on their outside doors. Commercially, more than 2/3 of the Dutch companies take serious preventative measures against crime. Last, but not least, the Dutch are investing millions in most areas related to national security, including counterterrorism, border security, cyberterrorism, and the protection of critical infrastructure (particularly Rotterdam seaport and Amsterdam airport). The need for innovative safety and security is expected to increase over the coming decades.

## MAIN COMPETITORS

U.S. companies can expect severe competition from both Dutch and European manufacturers. A list of Dutch manufacturers can be downloaded from the Netherlands Safety and Defense Manufacturers' industry association (NIDV) at: <http://www.nidv.eu/en-US/pages/1568/Industry-guide.aspx>. These companies tend to have a strong safety focus. Companies with a strong security focus can be downloaded from the security industry association, VEBON, at: [http://vebon.org/leden-?id=974&groepcode=0&organisatiennaam=&vestigingsplaats=\\*](http://vebon.org/leden-?id=974&groepcode=0&organisatiennaam=&vestigingsplaats=)

## CURRENT DEMAND

Over the coming years, the greatest growth is anticipated in closed circuit television (CCTV) systems, access control systems, biometrics, explosives, nuclear and metal detectors and residential alarms, and IT- and cybersecurity. Based on interviews with Dutch security companies, products in the following categories are also in high demand:

- Access control
- Alarm & Sensors
- Baggage screening
- CCTV
- Communications equipment
- Computer and Communication security
- Extinguishing products
- Facility loss prevention
- Fire control
- Identification systems
- Monitoring equipment
- Night vision equipment
- Personal protection
- Screening of people
- Screening of goods
- Security hardware
- Surveillance equipment
- Systems integration products
- Tactical radios
- Transport safety

- Infrared equipment
- Intrusion detection/protection
- IP technology
- Vehicle screening
- Video analytics
- Wireless equipment and technology

## **BARRIERS**

There are no trade barriers against U.S. products and services.

## **TRADE EVENTS**

Name of event: Safety and Security Amsterdam (SSA)

Location: Amsterdam

Dates: June 4-6, 2013

English language website: [www.safetysecurityamsterdam.nl/](http://www.safetysecurityamsterdam.nl/)

Description: SSA 2013 is the biennial trade event where the latest innovations on security and (fire) safety are on display. SSA is by far the largest and most important trade event in the Netherlands, with over 200 exhibitors. At this point, SSA remains mostly a national event, but it is expected to develop into an international event in the near future.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

The Netherlands Safety & Security Market Brief (Sep 2010)

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## New Zealand

Capital: Wellington  
Population: 4.4 million  
GDP: \$ 123.3 billion  
World ranking: 65  
Currency: New Zealand dollars (NZD)  
Language: English (official) 91.2%, Maori (official) 3.9%, Samoan 2.1%, French 1.3%, Hindi 1.1%, Yue 1.1%, Northern Chinese 1%, other 12.9%, New Zealand Sign Language (official)



### SUMMARY

As an agriculture-based trading nation, it is important for New Zealand to maintain clear shipping links and to protect against foreign pests and diseases that may harm New Zealand's international trade. New Zealand's border security is a significant and publicly-funded component of the local safety and security sector. New Zealand's safety and security sector also includes private organizations involved in building security, electronic surveillance, and health and safety in the workplace. The New Zealand Security Association estimates there are approximately 1440 security companies providing such services valued at US\$2.2 billion dollars.

### MARKET ENTRY

New Zealand Government funded operations involved in border security include Aviation Security Services, New Zealand Customs and the Ministry of Primary Industries. New Zealand Government tenders are advertised on the Government Electronic Tenders (GETS) system: [www.gets.govt.nz](http://www.gets.govt.nz) Subscription to GETS is free. Government agencies favor working with a local representative.

We advise American companies to establish a local sales presence to improve their market position and chances of success in New Zealand. While some businesses will open a subsidiary in New Zealand, for most American exporters this means appointing an agent or distributor. We encourage American firms to research three key determinants: the purchasing practices of their target customers, the competitive climate in the New Zealand market, and the importance of after-sales service.

New Zealand's security and safety sector offers steady and profitable sales, but it is also a competitive market. New Zealand agents and distributors are globally

aware of developments and by attending international trade events pick-up new and competing products and technologies.

### **CURRENT MARKET TRENDS**

As a world leader of dairy products and a significant producer of meat, vegetables, fruit and wine, it is important for New Zealand to retain its international reputation as a producer of safe foods. The Ministry for Primary Industries is responsible for protecting New Zealand against introduced pests and diseases through its bio-security surveillance program.

The rebuilding of Christchurch after the devastating earthquake of February 2011 is resulting in a national focus on building safety. Engineers, council building inspectors and insurance assessors are re-evaluating how earthquake proof individual buildings are under the New Buildings Standards (NBS) code set by the recently updated Building Act of 2004. Buildings deemed to be less than 33% of the NBS code are considered not safe, while engineers recommend buildings be at least 67% of code. Some tenants are now demanding higher than 67% of NBS. From a health and safety perspective, New Zealand employers may face prosecution if they fail to ensure the safety of the building in which their employees carry out their day to day activities.

Reducing workplace injury has resulted in the New Zealand Government creating a taskforce to review workplace health and safety systems.

### **MAIN COMPETITORS**

Australia is New Zealand's nearest neighbor and most important trading partner. After China, the United States is New Zealand's third largest source of imports. U.S. companies can expect to face competition in this market from major global suppliers including other U.S. security and safety suppliers. Most well-known multi-national security and safety equipment brands are established in this market. New Zealanders recognize U.S. brands as reliable, robust but not always price competitive.

### **CURRENT DEMAND**

The Christchurch February 2011 earthquake destroyed or caused the demotion of approximately 10,000 residences and 1,000 commercial buildings. In late July 2012, Prime Minister John Key announced plans for the redevelopment and rebuild of Christchurch's city center. The new-look city center will include a state-of-the-art stadium, a metro sports facility and a new convention center. As key provider of national education and health services, the Government will invest in the redevelopment of Christchurch schools and its main public hospital. As a result of seismic reviews that have occurred in other New Zealand towns and

cities since the Christchurch February 2011 earthquake, councils, government departments, hospitals, commercial property owners face multi-million dollar repairs. Both the Christchurch rebuild, and the nationwide seismic upgrade projects will create a significant local demand for building access, electronic surveillance and health and safety products. Government agencies involved in national security, border security and policing have on-going procurement programs for new and replacement equipment.

## **BARRIERS**

There are no trade barriers against U.S. products and services. The New Zealand Security Association's Codes of Practice for its members, defines the requirements and services for:

Alarm Monitoring Centers  
Closed Circuit Television Surveillance Systems  
Electronic Access Control  
Intruder Alarm Systems  
Patrol & Response services  
Secure Destruction of Sensitive Material  
Security Staff Services, Guarding & Static Security Officer Services  
Website: [www.security.org.nz/codes\\_of\\_practice\\_sidebar/](http://www.security.org.nz/codes_of_practice_sidebar/)

## **TRADE EVENTS**

Name of event: New Zealand Security Conference and Exhibition  
Date: August 28-29, 2013  
Location: Auckland  
English language website: <http://www.security.org.nz/events>  
Description: The New Zealand Security Conference and Exhibition is the only security trade event in New Zealand. The event is an opportunity for the local industry to learn of new emerging technologies.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

The 2012 Country Commercial Guide for New Zealand

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## Nigeria

Capital: Abuja  
Population: 170 million  
GDP: \$ 414.5 billion  
World ranking: 31  
Currency: Naira (NGN)  
Language: English (official), Hausa, Yoruba, Igbo (Ibo),  
Fulani, over 500 additional indigenous  
languages



### SUMMARY

Nigeria is a growth market for U.S. security equipment and services. Over the past year, Nigeria has faced an unprecedented surge of security challenges including suicide bombing and highly coordinated attacks by different armed groups suspected to be affiliated with transnational terrorist networks. These attacks especially in Northern Nigeria and the growing incidence of kidnapping for ransom in the South, particularly in the South East and South (Niger Delta Region) are fueling demand for various security equipment and professional services.

According to industry experts and market analysts, what Nigeria needs most is security equipment manufacturers and exporters who have experience working in volatile regions such as the Middle East and South America where incidents of suicide bombing and kidnapping are a daily experience. Currently, Nigeria is a net importer of high-precision security equipment. Its security agencies, especially the Police Force, lack the necessary skills, experience and tools to deal effectively with the rapidly growing challenges of providing national security including enforcement of law and order across the country.

### MARKET ENTRY

The best way for U.S. manufacturers and suppliers of security equipment to enter the Nigerian market is to combine the benefits of the network services and programs of U.S. Department of Commerce Export Assistance Centers (USEACs, [http://www.export.gov/comm\\_svc/eac.html](http://www.export.gov/comm_svc/eac.html).) with the extensive knowledge, industry contacts and services of the U.S. Commercial Service at the U.S. Consulate General in Lagos, Nigeria (<http://www.buyusa.gov/nigeria>). We encourage seeking the assistance of a USEAC before exploring an opportunity in this market. For establishing a presence in Nigeria, we recommend that U.S. firms use an agent/distributor relationship with a locally registered company.

Terms and conditions must be fully defined upfront. Understanding the local laws and regulations are also important.

## **CURRENT MARKET TRENDS**

Security equipment like CCTV, metal detectors and walk-through scanners are products that companies, religious organizations and individuals purchase in large quantities, when they come from U.S. companies. Several security companies from the United States have found the Nigeria market a huge opportunity by opening offices and also working with local representatives they have selected using the U.S. Commercial Service in Nigeria.

## **MAIN COMPETITORS**

Companies from Israel and China are the biggest competitors in this sector at this sector of the Nigerian market. However, because of quality of their products, U.S. origin companies still have the advantage with the control of over 50% of the market leaving the remaining 50% for products from other countries.

## **CURRENT DEMAND**

Current demands in Nigeria from U.S. companies include: CCTV, Electronic Surveillance Equipment, Metal Detectors and Access Control, Fire Fighting Equipment, Body Scanners as well as Search and Rescue Equipment.

## **BARRIERS**

Inconsistencies in government policies, lack of transparency and failure to follow due process, especially in government procurements, the death of security infrastructure such as telecommunications network to enable some security systems, and epileptic electricity supply in most commercial centers across the country.

## **TRADE EVENTS**

Name of event: IFSEC West Africa

Date: March 5-6, 2013

Location: Lagos

English language website: [www.ifsecwestafrica.com](http://www.ifsecwestafrica.com)

Description: IFSEC West Africa is the definitive event for the emerging security market in the West African region with more than 2,250 visitors and 90 exhibitors attending. The Nigerian security market is currently worth \$3.5bn and by 2014 is forecast to grow 14%, while Nigeria is the 12th largest producer of petroleum products worldwide and current consumer spending coupled with climbing oil prices may see Nigeria's economy overtake South Africa's by 2025

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Not available

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## Norway

Capital: Oslo  
Population: 4.7 million  
GDP: \$ 265.5 billion  
World ranking: 48  
Currency: Krone  
Language: Norwegian



### SUMMARY

The market for security solutions in Norway has been growing faster than other parts of the economy and also parts of the IT sector. For physical security, privacy laws put some constraints on the dissemination of some technologies (access control and surveillance), whereas security services grow at a very high pace.

### MARKET ENTRY

The overall economic and trade relationship is strong, and Norway's import climate is generally open and receptive to U.S. products and investments. Vendors of U.S. security products should seek partnership with distributors, agents or other types of partners for easier access to decision makers, tender. End users will normally prefer to have a local representative, and not being present could be a competitive disadvantage.

Norway is not a member of the European Union, but implements most or all EU directives through participation in the European Economic Area (EEA). This makes Norway by virtue a member of the EU.

### CURRENT MARKET TRENDS

Fire walls, virus protection, secure data storage, access control and cryptation of data are some of the most important market categories. The widespread use of mobile devices adds an additional dimension to those areas, and constitutes the most significant trend within IT security. A Forrester study in EU and the US suggests that IT managers increasingly feel they have to accept personal devices in the corporate network. Norway is believed to be in the forefront of this development. Security breaches in banks and reported cyber attacks by foreign government on key infrastructure and commercial interests also drives the need for more sophisticated protection.

## MAIN COMPETITORS

For security services (some 14 000 employees): [G4S](#), [ISS Security Services](#), [Loomis](#), [Nokas](#), [Securitas](#), [Skan-Kontroll](#).

For IT security: Most IT consultants, VARs and, systems integrators offer some level of IT security, some more actively than others. All global IT security vendors are present in the market.

## CURRENT DEMAND

Both private and public sector is relatively well funded after having been impacted only lightly from the first and second financial crisis. Norway is also early adopters of mobile technologies and VARs, end user companies and systems integrators are always on the lookout for cost effective systems that can improve security and secure assets.

Norway is a maritime country with some strong industry segments that require specialized solutions for securing assets. The country is the world's 6<sup>th</sup> largest exporter of crude oil, the second largest exporter of natural gas (both off shore), the second largest exporter of seafood and controls the 5<sup>th</sup> largest merchant fleet in the world. These industries all have security needs ranging from secure storage of large amounts of seismic data to patrolling the gulf of Aden for pirates, and securing oil/gas assets in Africa, Brazil and elsewhere.

## BARRIERS

The Norwegian Data Inspectorate is in the forefront of limiting or prohibiting data collection that has the potential to be used for undesired purposes. This limits the use of camera surveillance, and biometric data collection such as finger print for access control.

For information on existing general trade barriers use the link to the National Trade Estimate Report on Foreign Trade Barriers, published by USTR: <http://www.ustr.gov/about-us/press-office/reports-and-publications/2011-0>

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## Panama

Capital: Panama City  
Population: 3.5 million  
GDP: \$ 50.25 billion  
World ranking: 93  
Currency: Balboas (PAB)  
Language: Spanish (official), English 14%



### SUMMARY

The outlook for the Panamanian safety and security market is positive and expected to grow by 10% in 2012 to \$50 million. Local production of safety and security equipment is minimal and there is a marked preference for U.S. products due to their reliability, innovation and diversity, as well as the close geographic proximity and favorable conditions for air and sea freight from the U.S.

The demand for safety and security products and systems is driven by ever-increasing concerns over personal safety, more stringent work-related regulations and growth in the tourism, construction, real estate, banking, gambling, maritime and duty free zone.

Port expansion, new airports, new mall developments, the Metro transportation system and the Panama Canal expansion will provide excellent opportunities for U.S. safety and security equipment exporters.

### MARKET ENTRY

Market entry is relatively easy. Import duties have been eliminated on a great majority of the products as a result of the Free Trade Agreement between Panama and the U.S. that was implemented in late 2012. Customs clearance is relatively fast and straightforward. Panama has a dollar-based economy, good transportation infrastructure, high-tech telecommunications through fiber optic networks, modern ports and excellent access to shipping and air transport. The standard voltage and frequency is 110V/60Hz.

### CURRENT MARKET TRENDS

As the economy continues to expand, the market for security and safety products should grow accordingly. The constant surge of new developments, from high-tech sophisticated systems to consumer level feature-loaded packages, accessible at reasonable prices, makes it worthwhile for end-users to consider the acquisition of new security systems.

## MAIN COMPETITORS

The U.S. is a major supplier of high-quality systems for vehicle, fire and burglar alarms, CCTV and video surveillance, access control, metal detection and x-ray equipment. Japan, Korea, Taiwan and China manufacture a vast array of alarms, CCTV and telephone entry systems, marketed at very reasonable prices to commercial and residential customers.

In general, U.S. sourced higher-end, industry-specific solutions are sought by banks and major private and public institutions, which prefer to purchase or lease these systems from distributors and contractors with proven track records.

## CURRENT DEMAND

Demand for safety and security products and services from both the private and public sectors should see continuous growth in the following categories: industry security and safety, intrusion protection, burglary and robbery, fire protection and suppression, surveillance, access control, personal protection, workplace safety, security risk assessment consulting and law enforcement products and services. Best prospect markets are airport, banks, ports, and the commercial sector, especially large malls and stores.

## BARRIERS

Other than firearms and other weapons and controlled products, there are no significant non-tariff barriers for importing safety and security products into Panama. In general, products available in major markets such as the United States, Europe and Japan can be marketed in Panama, which has adopted many U.S. building code and safety standards and requirements.

## TRADE EVENTS

Name of event: Expocomer

Date: April 17-20, 2013

Location: Panama City

English language website: [www.expocomer.com](http://www.expocomer.com)

Description: Panama's largest trade show. This is a horizontal trade show but it is a good venue for safety and security equipment. The show is usually held in March. Please check website for more information.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

N/A

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## Philippines

Capital: Manila

Population: 103 million

GDP: \$ 389.8 billion

World ranking: 33

Currency: Philippine Pesos (PHP)

Language: Filipino (official; based on Tagalog),  
English (official); eight major dialects:

Tagalog, Cebuano, Ilocano, Hiligaynon or

Ilonggo, Bicol, Waray, Kapampangan, and Pangasinense



### SUMMARY

There is a significant demand for safety and security products in the Philippines. A total of US\$50 million has been allocated by multiple agencies of the Philippine government for the security upgrades of various airports across the country. Best sales prospects for U.S. companies are in screening equipment (passenger and cargo), closed-circuit television (CCTV) cameras and access control systems.

### MARKET ENTRY

The best way to market safety and security equipment and services is through agents and distributors. The distributor/agent must be familiar with local regulations, have access to key customers, and have the capability to provide after-sales support.

Republic Act 9184 (RA 9184), or the Philippine Government Procurement Law, dictates that companies interested to bid on government projects must be 60% Philippine owned. This requires foreign manufacturers to work with a local agent or distributor in order to participate in government procurement.

It is not uncommon for end-users; especially agencies of the Philippine government, to require product demonstration or a proof of concept. U.S. companies and their agents/distributors must be willing to invest in having a demo unit readily available in the Philippines. If the product meets the buyer's requirements pricing first then after sales support will be discussed. While price has a bearing on procurement, more often, private companies prioritize the technical specifications and capabilities of the product. Product value to price is recognized. However, RA9184 prescribes that for government procurement, the project is awarded to the lowest calculated bidder.

## **CURRENT MARKET TRENDS**

In 2012, the Office of Transportation Security (OTS) - Department of Transportation and Communications (DOTC) announced the release of US\$7.5 million for the procurement of screening equipment for both passenger and cargo, and closed-circuit television (CCTV) cameras. An additional US\$2.5 million is expected to be added in 2013. Apart from this, the Manila International Airport Authority (MIAA) has a separate US\$40 million budget for security upgrades with specific focus on screening equipment.

## **MAIN COMPETITORS**

The U.S., while having an excellent reputation for quality and reliability, is facing stiff competition from Europe and Asian companies. Smiths Detection is the screening equipment in majority of Philippine airports. Asian suppliers of CCTV are preferred due to their affordability compared to their U.S. competitors.

## **CURRENT DEMAND**

Based on industry sources, the following product lines have a growing demand in the Philippines (in no particular order):

- Access Security (e.g., access control systems, locks and fittings, ID systems, card access, anti-theft and anti-intrusion systems, perimeter protection & security);
- Alarm Systems and Sensors;
- Electronic Surveillance (CCTV cameras, digital video recorders and other digital surveillance equipment)
- Screening equipment for both passenger and cargo.

## **BARRIERS**

Import tariffs for safety and security equipment range from 1 to 5 percent, and are subject to a Value Added Tax (VAT) of 12 percent. Companies who wish to sell to the Philippine must be aware of safety standards prescribed by the Building Code, and the Fire Code.

Selling to the Philippine government is a long and tedious process. Projects take a minimum of two years before it is ready to be awarded. During this long gestation period, suppliers are typically expected to hold their prices and be ready to absorb currency fluctuation rates.

## **TRADE EVENTS**

Name of event: PROTECT 2013

Date: April 17-18, 2013

Location: Makati City

English language website: <http://protect.leverageinternational.com/>

Description: PROTECT 2013 consists of an international conference and an exhibit on security, risk and emergency management.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Department of Transportation and Communications (DOTC) - <http://dotc.gov.ph/>

Manila International Airport Authority (MIAA) - <http://125.60.203.88/miaa/>

Office for Transportation Security (OTS) - <http://www.ots.gov.ph/>

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## Poland

Capital: Warsaw  
Population: 38.41 million  
GDP: \$ 771 billion  
World ranking: 21  
Currency: Zlotych (PLN)  
Language: Polish



### SUMMARY

Poland is the sixth largest country in the EU with a population of nearly 38 million people. Its 1,100-kilometer eastern border is now the longest external border in the European Union. Poland also has the largest Armed Forces of the new NATO nations. Poland's geographic location within Europe makes it a logical gateway for legal and illegal immigrants entering the European Union. Law enforcement experts indicate that drug and weapons traffickers transporting their prohibited cargo into the rest of Europe also use the pathways used by illegal immigrants. Further, there were strong EURO 2012 - European Football Championships event requirements, which intensified the demand for added controls at the Polish airports and land borders. After Poland witnessed a series of international crises, the government began to focus more on improvement of overall national security. In addition to the increased demand for more traditional security, concerns over conventional and cyber terrorism attacks and protection against biological agents have come to the center of attention. Poland has no indigenous terrorism, and no known terrorist organizations are known to operate inside Poland. However, Poland's support in international intervention in Iraq and Afghanistan, presents a possible political or terrorist objective for international terrorist organizations. It would be difficult for a non-Caucasian group to operate in this very homogenous country. Poland is a good market for safety/security products, and the United States, traditionally the largest supplier of up-to-date safety and security equipment, has good potential to serve the Polish market. However, technological advantage is not the only factor determining success in the market. American companies must focus more on educating systems users and other players in the distribution network channel.

### MARKET ENTRY

Direct purchases from foreign suppliers are very rare. It is important to work through an established agent/representative so that equipment installation is done properly and adequate after-sales service is provided. The ability to provide back-up service is often the most important criteria for being successful in marketing these products in Poland. The Polish government is required by law to

hold tenders for all major procurements. Polish officials maintain that the most important factors in awarding a contract are price, availability of servicing and training, technical assistance for the installation and start up operation of the equipment, and then quality. For that reason, we strongly encourage U.S. companies to identify local agents that can provide necessary assistance. Selecting the appropriate representative is very important. A reputable agent with good contacts can provide important and timely information, which is often not readily available through public sources. In addition, in view of complicated tender and import procedures, it is nearly impossible to effectively sell these products without a competent agent. Companies choosing local representatives can expect to benefit from their knowledge of the market and cultural and technological differences, existing customer base, local marketing and sales experience, and services such as installation, maintenance and training.

### **CURRENT MARKET TRENDS**

Poland collaborates with other EU countries on the European Security Programs including the Critical Infrastructure Protection Program, a strategy to defend citizens from terrorism and protect against all hazards. This includes natural disasters and industrial accidents, and the Detection Technologies Program focused on detection technologies in the broad sense including metals, biometrics, CCTV, and associated technologies (gas detection, etc) as well as explosives (including chemicals), bio-preparedness, and radiology and nuclear preparedness. Areas covered include security of citizens, security of infrastructure and utilities, intelligent surveillance and border security, and restoring security and safety in case of crisis. Three horizontal issues include security system integration, interconnectivity and interoperability, security and society, and security research coordination and structuring.

### **MAIN COMPETITORS**

Because, Polish domestic production of homeland safety and security equipment is concentrated on production of simple technology equipment, Poland is dependent on imports. European and some Israeli manufacturers currently dominate the market but it also offers good potential to suppliers from the United States. They increased their market share due to their competitive prices as well as availability of EU assistance packages for Poland. The main factors stimulating the demand for these products are the EU security initiatives and availability of EU funds through various programs, and the need to strengthen security of critical infrastructure within the country and its borders. American suppliers need to consider EU regulations and requirements. The market is very competitive and demand-driven. Even though price remains the main factor, buyers increasingly make purchasing decisions based upon equipment functionality as well as the availability of technical support and training.

## CURRENT DEMAND

The current demand is rather stable. The market has developed extensively over the past few years and its expansion in terms of acquiring new products considerably slowed down. Availability of EU funds through various programs is driving the local market demand.

## BARRIERS

Most security products require government licenses for trade. Polish companies trading in safety–security and surveillance equipment must apply for import license. U.S. exporters must get authorization from the U.S. Department of Commerce Bureau of Industry and Security (BIS) <http://www.bis.doc.gov/>. European Union (EU) regulations and standards require product compliance with “CE” mark certification. The “CE” mark is a passport that allows manufacturers to move industrial products freely within the European Union market and attest to the conformity of safety, performance, compatibility, and other requirements determined by the EU authorities. American suppliers should be aware that the electric current in Poland is 220-volts. Either the U.S. manufacturer or the Polish importer must make the necessary equipment modifications. It should also be noted that Poland uses the International Standards Organization metric system.

## TRADE EVENTS

Name of event: MSPO and LOGISTYKA

Date: September 2-5, 2013

Location: Kielce

English language website: <http://www.targikielce.pl/>

Description: The MSPO - International Defense Industry Exhibition is the major event in the defense sector in Central and Eastern Europe. LOGISTYKA - International Logistics Exhibition is dedicated to border control, police and firefighting activities.

Name of event: SECUREX

Date: April 2014

Location: Poznan

English language website: <http://securex.mtp.pl/en>

Description: International Security Exhibition.

Name of event: EUROPOLTECH

Date: April 17-19, 2014

Location: Warsaw

English language website: under construction (Polish website: [http://www.europoltech.pl/title\\_lang\\_2.html](http://www.europoltech.pl/title_lang_2.html))

Description: International Exhibition for Technology and Equipment for Police and National Security Agencies.

### **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Safety and Security Market in Poland Overview - 2012

### **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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## Portugal

Capital: Lisbon  
Population: 10.78 million  
GDP: \$ 221.5 billion  
World ranking: 51  
Currency: EUR  
Language: Portuguese



### SUMMARY

This report covers Safety and Security equipment sector in Portugal and reflects that the demand for security equipment and services continue to be significant and remains a primary area focus for the Portuguese Government and for the private sector.

In 2009, Portugal's economy was hit hard by the economic crisis entering in 2011 under an economic recovery program sponsored by a troika formed by the FMI, BCE and European Commission. This economic aid program is forcing Portugal to make huge budget cuts in all areas of the economy in order to reduce the public deficit. Investment in safety and security infrastructure follow the economic trends and with the government looking to reduce budgets drastically, the prognosis for business growing is not strong. Nevertheless, Portuguese users are generally receptive to US and US Security and technology is considered advanced, sophisticated and perceived with a good relation quality/ price.

### MARKET ENTRY

It is very important to work with a local partner or through a local sales office, which many U.S. firms choose to establish. A local presence becomes essential when working with government ministries or responding to public tenders, which are some of the most common end-users for U.S. manufacturers of safety & security equipments or systems. US companies interested in marketing products in Portugal are encouraged to make use of services of the U.S. Commercial Service like International Partner Search or Gold Key Service. European Union (EU) regulations and standards require product compliance with the "CE" mark certification. The "CE" mark is a passport that allows manufacturers to move industrial products freely within the EU market and attest to the conformity of safety, performance, compatibility, and other requirements determined by the EU authorities.

## **CURRENT MARKET TRENDS**

The Portuguese security market offers many opportunities for U.S. firms. Best prospects for U.S. safety and security companies are found in the following product groups:

Structural security products; Electronic security systems; Home security and personal safety accessories; Fire detection and safety equipment; Data security; access control systems, including biometric identification systems; video surveillance equipment, including CCTV systems among others. In addition to new product solutions, innovative services, combining a product solution with a service are decisive to increase to leverage the Portuguese market potential. Additional growth possibilities exist in products such as explosives and metal detectors (X-Ray, handheld), work-wear protection, forensic equipment, perimeter protection systems, ICT security (firewall, anti-virus software, Spam filters), fire-related protection and residential alarms.

## **MAIN COMPETITORS**

The largest sub-sectors in terms of sales in Portugal are guard services, structural security products as well as security products and services. It is possible to identify as the major contactor industries for security services the manufacturing, real estate, construction and trade in general. The public sector along with the private residence market represents a very important slice of this market.

## **CURRENT DEMAND**

The Portuguese Safety & Security market was estimated to be over \$1.9 billion in 2011. Nevertheless, the evolution of this market is closely linked to the Portuguese general economic behavior, which now under a strong crisis and investment restrictions.

While over the last few years Portugal invested heavily in security infrastructure in order to catch along with other European countries, those investments have been slowing. As in other EU countries, industry studies reveal that the sector has also suffered from a price war driven by competition from Asian countries over the last several years which has slowed growth in several areas. Furthermore, the global financial crisis negatively impacted the industry; with price renegotiations and the declining presence of multinational firms it took longer for decisions and investments to be made which further stagnated growth.

## **BARRIERS**

U.S. exporters seeking general export information and assistance or country-specific commercial information should consult with their nearest Export Assistance Center or visit the U.S. Department of Commerce's Web site, <http://www.export.gov>. The U.S. Commercial Service in Portugal offers a variety of services to assist U.S. companies in entering the Portuguese market. For further information, please visit: <http://www.buyusa.gov/Portugal>.

## **TRADE EVENTS**

Name of event:

Location: Lisbon

Date: May 7-11, 2013

English language website: <http://www.segurex.fil.pt/>

Description: The most important event for safety and prevention, attracting a large number of decision makers responsible for safety and security both from the private and public sectors. This is a good event to present products and services in the field.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

### **Minister of Defense:**

Address: Avenida Ilha Madeira 14,4º, Lisboa  
1400-204 LISBOA

Phone: +351 213 034 500

Fax: +351 213 034 500

E-mail: [gmdn@mdn.gov.pt](mailto:gmdn@mdn.gov.pt)

Website: [www.mdn.gov.pt](http://www.mdn.gov.pt)

### **APSEI – Portuguese Association of Electronics and fire protection**

Address: Rua do Conselheiro Lopo Vaz  
Edifício Varandas do Rio, Lote A/B - Escritório C e D  
1800-142 Lisboa - PORTUGAL

Tel. + 351 219 527 849

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## Qatar

Capital: Doha  
Population: 1.9 million  
GDP: \$ 181.7 billion  
World ranking: 58  
Currency: Qatari Rials (QAR)  
Language: Arabic (official), English



### SUMMARY

Over the past few decades Qatar has been enjoying a high level of economic and demographic growth. As such the demand for safety and security services has increased as Qatar bolsters up its security protocols and measures across all areas and sectors to meet international standards and to be well prepared for the FIFA 2022 World Cup.

The two major overseers of safety and security include the Ministry of Interior and the Qatari Armed Forces. The Ministry of Interior has its designated local departments such as the police force, fire department, road safety etc; as such the ministry handles the domestic issues of crime and safety while the Qatari Armed Forces are more occupied with the country's defense at the regional level. There are a number of local firms that offer various services such as video surveillance, electronic control systems, IT security solutions, physical security etc. The major foreign presence in terms of security is G4S, the world's largest security firm; it has a decent amount of operations in various fields and continues to offer its expertise to Qatar.

U.S. companies with the right skill sets and expertise can be optimistic about opportunities in Qatar as the country is looking to become a leader in the region for this particular area. The local consumers put U.S. expertise in high regard anyway and with the favorable exchange rates, U.S. exports of safety and security related equipment and systems are expected to increase in coming years.

### MARKET ENTRY

In order to do business in Qatar and establish a local office, foreign and local companies are required to obtain a commercial registration from the Ministry of Business and Trade. Qatar enacted Law No. 25/2005 (the "Commercial Registry Law") which states that no individual person or single entity may engage in commercial activity before registering in the Commercial Registry maintained by

the MOBT. Any inquiries regarding the registration process should be directed to the Director of Commercial Affairs at the MOBT.

## **CURRENT MARKET TRENDS**

### **Politics**

With the advent of the Arab Spring in the region, the local public opinion and sentiment has been influenced. However this has not resulted in any violence as Qatar's local population is well satisfied with the current leadership. The majority of the national population has an abundant amount of wealth and enjoys lavish lifestyles; the Emir himself is also well respected and favored upon hence domestic outlook for violence is kept at the minimum. However Qatar has been increasingly playing a role in the regional and international political arena. Its most direct intervention was in Libya where they sent in their military to help with the on ground action.

In the short term there is no cause for concern however in the long term Qatar might face greater security obstacles. As such Qatari decision makers are increasing their security procedures and logistics. Qatar already accommodates the region's largest U.S. military base and asserts their trust in the Americans' expertise. As such U.S. firms can research further for potential opportunities in this area.

### **Crime**

On a more localized level, security remains at an acceptable level. The crime rate is relatively low. The most recent statistics to date are provided by the Qatar 2012 OSAC Crime and Safety Report and in 2009, there were 44,958 criminal cases reported with 81% being settled. There has been a significant increase in crime since 2005 and it is expect that with better reporting mechanisms and statistical tracking, these results can be properly explained. U.S. companies with expertise in these areas may look further for opportunities.

The reported crimes include, various immigration and residency frauds, burglary, property theft, larceny, ATM/credit card theft, white collar fraud, embezzlement, murder, vehicle theft, physical assaults and illegal narcotics. The use, smuggling, possession, trafficking and distribution of drugs have been rampant in the past few years. Particularly the local police force has apprehended many shipments at the Doha Airport recently. To counter this issue, in 2006, the Ministry of Interior established the National Command Center (NCC) with well equipped measures to respond to emergency calls, handle security incidents and respond to contingencies.

**Safety**

In the safety arena Qatar has come under heavy criticism from the local population as a result of some unfortunate fire incidents recently. The first major fire fiasco that occurred, happened in the Villagio Mall in May 2012. One of the country’s most popular mall destinations; was involved in a fire in a child care centre which resulted in 19 people ending up dead, most of them children. Reports indicated that the rescue workers did not have access to the building’s floor plans and the smoke alarms and sprinklers were not functioning. The government has come under heavy fire and the local population is dissatisfied with the current investigation. The local population has been pushing forward for more awareness and the government to reach international standards of safety. U.S. companies that help export safety equipment can look forward to plenty of opportunities in this area as Qatar has got a wakeup call now and also companies that specialize in safety services and consulting can also look forward to investing in this particular area.

**MAIN COMPETITORS**

For comprehensive and specific statistics, the main sources available are the Qatar Statistics Authority (QSA) and USA Trade Online. The most recent import statistics posted by QSA for the fiscal year of 2010 show that Qatar imported different forms of equipment specifically fire extinguishers, spraying appliances, smoke and radiation detectors, X-Rays, armored or reinforced safes, burglar and fire alarms, breathing appliances and gas masks etc. These aggregated together to provide a total worth of approximately QAR 301mn (\$66.5mn).

Key equipment import locations include the following:

<b>Country</b>	<b>Total Import Value in US Dollars</b>	<b>Share</b>
U.S.	\$34.3 mn	41.5%
U.K.	\$12.6 mn	15.2%
China	\$5.2 mn	6.3%
Italy	\$5.1 mn	6.2%
Germany	\$4.9 mn	5.9%

**CURRENT DEMAND**

U.S. companies looking to explore the Qatari market will find the following specific areas to be quite lucrative:

- Access control
- Asset tracking
- Chemical trace detection
- Computer security

- Forgery/ Fraud
- Integrated security systems, Building management systems
- Intrusion detection equipment
- Perimeter protection
- Protective barriers
- Travel safety and security
- Electronic safety and fire detection
- Metal detection
- Communications systems
- Fire protection equipment and supplies

Qatar has embarked on a vast program to reform its police and military units. Information about projects with the Ministry of Interior, Qatar Armed Forces or any other security agency is considered sensitive.

## **BARRIERS**

The business of commercial agents is exclusively restricted to Qatari nationals or to companies wholly owned by Qatari nationals. Also, Any Qatari agency is to be considered as an exclusive agency.

## **TRADE EVENTS**

Name of event: Milipol Qatar

Date: October, 2013

Location: Doha

English language website: <http://en.milipolqatar.com/>

Description: Police equipment and supplies

Name of event: 4<sup>th</sup> Civil Defense Exhibition and Conference

Date: November 18-20, 2013

Location: Doha

English language website: <http://www.civil-defence-exhibition.com/>

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## Romania

Capital: Bucharest  
 Population: 21.84 million  
 GDP: \$ 267.1 billion  
 World ranking: 47  
 Currency: Lei  
 Language: Romanian



### SUMMARY

Romania's safety and security market has averaged 20 percent annual growth the past several years, generating a market value of over US\$350 million in 2011. Romania is undertaking numerous large-scale projects nationwide including airports, sports stadiums, and metro systems which will entail the installation of extensive security systems. In addition, a number of initiatives have been undertaken in municipalities to install emergency response systems to improve security and bolster response times. On a consumer level, a growing affluent class has contributed to rising demand for high quality residential security equipment and services. While US firms enjoy a solid reputation in the high end of the market, the safety and security market in Romania remains very fragmented, with over 1,800 small local enterprises active in this sector. Before selling into Romania, US exporters need to be aware of Romanian certification requirements as well as potential US export controls. Overall the sector is expected to maintain rapid growth and expanded to an estimated \$490 million in 2012. As a result, opportunities for US exporters of safety and security will continue to grow in the coming years.

### MARKET ENTRY

Safety & security providers and integrators have to be licensed by:

- **General Inspectorate of Romanian Police (IGPR)** for electronic security systems designing, installing, commissioning and maintenance. Currently, there are more than 1700 licensed companies by IGPR for electronic security systems (intrusion detection, access control, CCTV).
- **General Inspectorate for Emergency Situations (IGSU)** for fire detection systems designing, installing, commissioning and maintenance.
- **Romanian Civil Aeronautical Authority** for airport safety & security technology.

## CURRENT MARKET TRENDS

The Romanian safety and security market is a growing one. The market is not mature, but there are signs of fair competition, mostly in the private sector. The growth rate in 2012 was estimated at 15-20% and even more than 20% in the years to come.

## MAIN COMPETITORS

The most important security companies are present on the Romanian market. Please see the Romanian Chapter of ASIS International <http://www.asisonline.org>.

Main American security companies present in Romania are: 3M, Astrophysics, Cisco, FLIR, Fortinet, Honeywell Security Motorola, Pelco, Rapiscan, Raytheon, Sirchie, Southwest Microwave, TYCO Security Solutions, UTC Fire & Security and UFC. List of other top companies present in Romania includes: ASSA Abloy, Axis Communications, Bosch Security Systems, EADS, G4S UK, Panasonic, Samsung, Securitas, Siemens Building Technologies and Sony.

## CURRENT DEMAND

Demand for safety and security products is still high in Romania. Romania's public sector is a strong market segment for safety and security products, particularly for such agencies dealing with energy production and distribution, finance, customs regulations, education, and transportation, as well as for public facilities, such as museums and stadiums.

Much of the safety and security demand focuses on the integration of high-tech equipment, such as digital technology, security guard communication systems, network technology for inspection control systems, and warning systems. The high-end of Romania's safety and security market is dominated by foreign products and services. US-based multinational corporations and their partners are very strong in Romania's high-end safety and security market, creating a competitive environment for potential industry competitors.

In Romania, independent security consultants are practically missing. Security designers are present mostly as employees of security local integrators. Security legal framework is weak and primitive, but a Private Security Law is under preparation. Romanian market needs a strong security technology distribution network, like ADI Global in the U.S. ([www.adiglobal.com](http://www.adiglobal.com)). The security market is not covered by Insurance companies and this is a segment that needs to be covered in the next years.

Security "culture" is almost absent at end-user level, but is also "poor" in most security integrators' level.

Specialized training courses for security decision makers and employees are required and represent big opportunity.

All the fields mentioned above represent good opportunities for U.S. training and consulting firms on the Romanian market in the next years.

Specialized training addressed to local players and integrators is also needed for the the development and implementation of the European technical standards on the Romanian market.

## **BARRIERS**

Main barriers encountered on the Romanian market are:

- Corruption; this can be a barrier in the case of big and complex projects. However, there had been some improvement in the last years.
- Unstable European economic context has a direct impact on the market dynamics in Romania;
- Lack of interest of insurance agencies to get involved on the security market;
- Lack of security culture.

## **TRADE ASSOCIATION**

The Romanian Security Associations (ARTS) ([www.arts.org.ro](http://www.arts.org.ro))

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

U.S. Commercial Service Bucharest can provide Customized Market Research on demand.

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## Russia

Capital: Moscow  
Population: 138 million  
GDP: \$ 2.38 trillion  
World ranking: 7  
Currency: Russian Rubles (RUB)  
Language: Russian (official), many minority languages



### SUMMARY

The Russian market for safety and security has great potential for rapid and steady development because of the country's vast infrastructure, large area, number of potential threats and increasing criminal and terrorist activities.

Two important events that have taken place in 2008-2009, may have had a significant impact on this market in 2010. These events are the financial crisis in Russia and the new law on private security firms, aimed at allowing only Russian firms to operate in the market. In 2011-2012 the market experienced steady growth rate of 10-12%.

Before the financial crisis broke out in 2008, the Russian market for safety and security systems had been developing rapidly, offering great potential for U.S. companies. Its negative impact reduced the total volume of the safety and security market from \$6.8 billion in 2007 to \$5.6 billion in 2008, an 18% drop.

Russia's demand for safety and security systems showed almost no growth in 2012 reaching the \$ 6.5 billion mark, with services totaling \$4.5 billion, or 70% of the market, and safety and security equipment amounting to \$1.7 billion.

Regarding regional segments, 70% of the market is concentrated in Moscow and Saint Petersburg, 17% in the Urals Federal District, 7% in the Siberian Federal District, and 6% in the Northwest Federal District. The rest of the market is divided among the Volga, Far East and Southern Regions

The safety and security equipment market is divided into 4 main segments:

- CCTV and Video Surveillance
- Access Systems
- Fire Safety Systems
- Perimeter Security and Control Systems

The government is the main consumer of products and services in this industry, with \$355 million in 2009. Its share should increase as the government is strongly concerned about the constantly increasing threat of terrorist activities and possible calamities related to the disintegration of the national infrastructure.

Both government organizations and private entities (mainly in real estate, banking, retail, and oil and gas) are the major end users of a wide variety of security equipment. Currently, there are over 300 distribution companies working in the Russian security market. 65% of these companies are located in Moscow and St. Petersburg regions.

## **MARKET ENTRY**

Finding a local partner knowledgeable in the industry and experienced in procurement tenders would be the shortest path to successfully entering the Russian market. All government purchases are affected through the electronic system called [www.zakupki.gov.ru](http://www.zakupki.gov.ru); which is a large web-based resource consolidating all procurement enquiries from state organizations and agencies. It operates only in the Russian language. It is essential to cooperate with a Russian company, or to register a representative office inside the country, to handle operations related to government tenders. Moreover, companies working in this business need steady and long term relations with law enforcement and emergency agencies, who are the main consumers of the safety and security products.

## **CURRENT MARKET TRENDS**

CCTV and Access systems are the leading segments of the market. Products presented in these segments are 90% imported. The fire safety systems segment on the other hand, is gained by local producers.

## **MAIN COMPETITORS**

The main competitors to the US companies are Israeli, German and UK companies in the segment of hi-end solutions and Chinese manufacturers in the segment of CCTV and access systems.

## **CURRENT DEMAND**

A new trend that might be generating good profits can be alerting systems for small and medium sized towns. Recent floods that happened in summer 2012 in the southern regions of Russia caused about 500 victims and thousands of people losing their homes. This demonstrated that alerting systems built at soviet times do not function and duly alerting could save hundreds of people.

## **BARRIERS**

Russia joined the WTO in August 2012, which is supposed to liberalize its trade with the rest of the world and create opportunities for U.S. exports and investments. In the segment of the safety and security we observe the issue that no foreign electro shocking devices can be sold in Russia. Another issue is that no companies with 100% foreign capital are allowed to provide safety and security services.

## **TRADE EVENTS**

Name of event: SST

Date: February 12-15, 2013

Location: Moscow

English language website: [www.tbforum.ru](http://www.tbforum.ru)

Description: International Forum & Exhibition "Security and Safety Technologies"

Name of event: MIPS

Date: April 15-18, 2013

Location: Moscow

English language website: [www.mips.ru](http://www.mips.ru)

Description: Moscow International Protection, Security & Fire Safety Exhibition

Name of event: Interpolitex.

Location: Moscow

Date: October 26-29, 2010

English language website: [www.interpolitex.ru](http://www.interpolitex.ru)

Description: International Exhibition of Police and Defense Technologies

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

New market research will be available in April 2013.

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## Singapore

Capital: Singapore  
Population: 5.2 million  
GDP: \$ 314.2 billion  
World ranking: 40  
Currency: Singapore dollars (SGD)  
Language: English (official). Other spoken but unofficial languages include Mandarin, Malay, Tamil and various Chinese dialects.



### SUMMARY

Singapore's security equipment market looks set to continue to outperform the general economy. Singapore's trade statistics indicate that imports of security products increased by almost 9.3% in 2010, compared to the previous year. The total market size for security equipment had increased by slightly more than 4.0% in 2010 while the overall economy grew at 13.5%.

The market offers potential for new U.S. firms as many Singaporean agents/distributors are eager to represent U.S. companies. They are especially interested in U.S. suppliers of automated security systems, such as intelligent security platforms, integrated security systems, smart card technology, intruder detection equipment and biometric systems, as well as counter terrorism equipment & systems and cyber threat prevention solutions.

### MARKET ENTRY

Many American exporters use agents or distributors to serve the Singapore and other markets in Southeast Asia. Finding prospective partners presents no problem. Singapore firms are aggressive when it comes to representing new products and usually respond enthusiastically to new opportunities. Most Singapore companies are open to joint venture proposals and many are interested in manufacturing under license.

Appointment of Distributor/Agents: there is no special legislation in Singapore covering agency agreements. In the absence of this, the Singapore's Common Law of Practice applies.

Methods of Operation for American Companies: the principal methods of operations for American companies in the Singapore market are through:

- A branch of the American firm or an associated company incorporated as a full subsidiary based in Singapore.

- A representative sent out from the United States and stationed permanently in the area. He or she may not be directly responsible for obtaining orders and making sales, but supervises local distributors and/or agents.
- An agent appointed in Singapore. Local firms which act as agents range from small trading companies, working on a small project basis to large engineering installers representing a number of manufacturers in several categories of security related equipment. Such organizations handle a large share of the security equipment business and generally have branches throughout the area.
- Direct sales on an open market basis. This method is only successful if the U.S. suppliers have already developed well-established connections.

In view of the competitive nature of the local business environment, it is recommended that any new-to-market American company appoint a local representative. Once business has matured, the establishment of a representative office might then be desirable to serve as a launching pad into the region.

**Financial:** Shipments to Singapore are generally made under letters of credit and sight drafts, depending on the exporter's preference and the extent of past dealings with the purchaser. Standard credit terms are 30 to 90 days. The foreign departments of most major banks are well equipped to provide service and advice on matters of foreign trading and credit.

Quotations should be on a C&F basis whenever possible. The prices given may be either in Singapore or U.S. dollars. Exporters making quotations in Singapore dollars should consult their banks for the prevailing exchange rate. Singapore uses the metric system, so it is often beneficial for price/quantity quotations to be prepared accordingly.

## **CURRENT MARKET TRENDS**

The Singapore market is moving towards smart security solutions. High end biometric security systems and cyber threat solutions are very much sought after by government agencies and financial services institutions. Intelligent CCTV monitoring systems are deployed to enhance security in many aspects of life in the country including the public transportation system, shopping malls and places of interest.

## **MAIN COMPETITORS**

Singapore is an open market and almost every major player in the security business is present here.

## CURRENT DEMAND

Demand stamps from the most commonly used security hardware such as intruder alarm systems, access control systems, CCTV systems, central alarm monitoring systems and door-entry systems. Security software, including anti-virus systems and low-level firewall solutions, are also found in most Singaporean businesses. There are also new opportunities in areas such as homeland security, disaster relief, intelligence systems, unmanned technologies, solutions for greater connectivity, and less-than-lethal solutions.

The airport, sea port, immigration checkpoints and the Singapore Police Force (SPF) are strengthening their anti-terrorism capabilities by deploying portable X-ray machines and screening devices.

Visitor control and card-access systems, which can be used for single or multi-door applications, are also particularly suited to the Singapore market, fulfilling a need to safeguard secure information and prevent unauthorized access to sensitive locations.

## BARRIERS

Singapore could also see the mass adoption of biometrics for business security, although issues such as privacy and resistance from consumers to deploying biometrics devices remain potential stumbling blocks.

There are no duties, taxes or tariffs on imports to Singapore of all types of security related equipment from the U.S. and elsewhere in the world. The challenge is in competing with other suppliers from the world given the open economy environment in Singapore.

## TRADE EVENTS

Name of event: Global Security Asia 2013

Date: April 2-4, 2013

Location: Singapore

English language website: <http://globalsecasia.com>

Description: Primary focus is on security, civil defense and counter terrorism.

Name of event: Safety & Security Asia 2013 / Disaster Emergency & Fire Asia 2013

Date: May 7-9, 2013

Location: Singapore

English language website: <http://www.safetyssecurityasia.com.sg>

Description: Primary focus is on security, safety, fire & rescue equipment and services, and search & rescue equipment & systems.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Singapore: Security Equipment (dated February 2011) – available in CS Research Library

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## Slovakia

Capital: Bratislava  
Population: 5.48 million  
GDP: \$ 92,604 billion  
World ranking: 64  
Currency: Euro  
Language: Slovak



### SUMMARY

This short report provides insights into the opportunities in the Slovak Republic for providers of security equipment and services, identifying opportunities for U.S. exporters in specific security projects. It begins with a look at the Slovak security situation, analyzes market trends, and discusses ways to enter the market. Security equipment and services is a developing sector offering good opportunities for the U.S. exporters.

### MARKET ENTRY

The most important potential customers for the U.S. security equipment suppliers are security agencies that provide security services and security equipment installations to governmental institutions, companies, plants or private entities. As of December 2012, The Slovak Ministry of Interior had issued 2,800 licenses for providing security services, personal protection service and technical services. 1,740 of the licenses are held by companies and 1,060 licenses are held by individuals. As of December 2012, there were 650 licenses for security guard services, 111 licenses for detective services, 117 licenses for security training and advisory services, 632 licenses for personal protection and 1,329 licenses for technical security services.

### CURRENT MARKET TRENDS

The demand for security equipment and services continues to be significant and remains a primary area of focus for the Slovak government and large companies. The total 2013 budget of the Ministry of Interior is \$902.6 million, out of which \$104 million was allocated for security-related expenditures, including funding to upgrade the equipment, infrastructure and technology used by police forces.

The second most important buyers are construction companies. A number of construction companies have their own security installation department that designs and installs fire alarms, security equipment and surveillance systems for newly constructed buildings.

The third largest buyers are warehouse shops, where small private companies and private homeowners can purchase security equipment. Large companies order security equipment, along with installation, from companies that sell security equipment and installations

## **MAIN COMPETITORS**

Approximately 70% of security equipment and technology is imported. About 90% of security installation work is done by local companies. The most important third-country suppliers are Germany, Italy, France, the United Kingdom, Austria and the Czech Republic. A total of 750 private trading and service companies operate in the security equipment installation. The online list of companies is available at the Yellow Pages web site.

## **CURRENT DEMAND**

Local and regional police forces are continually upgrading traffic controls and street surveillance systems in Slovak cities that have more than 40,000 inhabitants.

It is becoming a standard procedure to equip all new buildings with fire and smoke detectors, fire-fighting systems, surveillance systems, and automatic entry control systems. Owners of older business facilities are upgrading their buildings with smoke alarms, security detectors, and fire-fighting systems. Insurance companies provide significant discounts if a property is equipped with smoke detectors, fire-fighting systems, and surveillance equipment.

Official statistical information is not available for annual nationwide sales of security equipment. Therefore, CS Bratislava has contacted several companies to determine current market data. Security equipment installation companies declared to us that the annual growth rate in security equipment expenditures is approximately 3 to 5%. Virtually all of the companies contacted said that their clients request advanced security solutions and equipment that is fully automatic and resistant to sophisticated detection-avoidance methods. The biggest demand is for video surveillance systems and GPS tracking systems for vehicles.

Companies that provide security services, personal protection services, and technical services stated that that the annual growth in their field is at least 6%.

## **BARRIERS**

There currently are no regulations or limits that would eliminate U.S. companies from competition to sell the security equipment in the Slovak market. U.S. market share is lower compared to its market share in other European Union countries. U.S. competitors are located in Europe and have a long-standing tradition in the

Slovak market. Major Slovak companies in this sector have indicated that they would welcome more U.S. suppliers because the depreciated U.S. dollar offers an advantage in comparison to European Union suppliers.

### **TRADE EVENTS**

Name of event: IDEB

Date: May 13-15, 2014

Location: Bratislava

English language website: <http://www.ideb.sk/en/>

Description: Event is organized in a form of two-day seminar. Participants will have an opportunity to gain overall information on the procedure of acquisition in NATO and on the activity of the greatest acquisition agencies of NATO.

Name of event: NATO EOD DEMONSTRATION & TRIALS

Date: March 11-13, 2013

Location: Trenčín

English language website: <https://www.eodcoe.org/>

Description: Annual event for experts from security industry and military. Demonstrations and trials has become an excellent tradition, which helps the entire EOD related entity to understand each other by exchanging information.

### **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

[Slovak Association of Security and Defense Industry](#)

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## Spain

Capital: Madrid  
Population: 47.04 million  
GDP: \$ 1.406 trillion  
World ranking: 14  
Currency: Euro  
Language: Spanish



### SUMMARY

The market for safety and security equipment and services in Spain is expected to decrease in 2013, both in the public and private spheres, based on the Spanish economic context and austerity measures. The end of the residential construction boom has impacted specially the safety equipment industry. Nevertheless, there are specific areas such as cyber security that are expected to grow significantly. In general, U.S. safety & security products enjoy an excellent reputation in the Spanish market.

### MARKET ENTRY

The Spanish safety & security technology market is highly competitive, yet affords significant opportunities for U.S. companies. Spain is the fifth largest economy in the European Union, and market entry is similar to those of other large EU countries.

U.S. safety and security products enjoy an excellent reputation as being high quality and state-of-the-art. Teaming with a Spanish counterpart should be considered as one option to develop an effective market access strategy. Most multinationals in the sector are present in Spain directly or through partners.

### CURRENT MARKET TRENDS

There is a market trend of offering integrated solutions, such as security solutions that cover on-site and immediate response personnel, electronic security, alarm systems, and fire-related security systems. Cyber security is taking a more central role in the security market concerns.

### MAIN COMPETITORS

Spain is an open economy and a new entrant in the market must expect to encounter competitors from all over the world.

## CURRENT DEMAND

The Spanish economic context and austerity measures will have a clear impact on safety and security demand. Nevertheless, there are a number of products that are expected to maintain a high degree of interest in the market: explosives detection, equipment for scientific police and high-end surveillance systems. Consumer-focused security solutions, such as IP video surveillance also offer potential in the market. As new facilities for penitentiaries and detention centers are being constructed, opportunities for security equipment supplies are increasing.

In the safety area, wildfire firefighting equipment and services are also in demand. Partnering with a Spanish company that has successfully participated in public tenders is recommended.

The following associations are excellent sources of market information:

Association of Spanish security companies (AES): [www.aesseguridad.es](http://www.aesseguridad.es)

Association of private security services (APROSER): [www.aproser.es](http://www.aproser.es)

Association of safety equipment (ASEPAL): [www.asepal.es](http://www.asepal.es)

Association related to protection against fire (Tecnifuego AESPI): [www.tecnifuego-aespi.org](http://www.tecnifuego-aespi.org)

## BARRIERS

Payment terms, which can be significantly long in some cases, may act as a barrier to an effective conclusion of distribution and sales agreements. The exchange rate evolution and the long term financing required in some cases should be taken in consideration.

## TRADE EVENTS

Name of event: SICUR 2014

Date: February 25-28, 2014

Location: Madrid

English language website: [www.sicur.ifema.es](http://www.sicur.ifema.es)

Description: SICUR brings together the entire safety and security industry in Spain. It is held every two years. The fair has over 600 direct exhibitors and attracts 40,000 trade visitors.

Name of event: HOMSEC 2013

Date: March 12-15, 2013

Location: Madrid

Spanish language website: [www.homsec.es](http://www.homsec.es)

Description: Technology for defense, homeland security and enterprise security.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Spain: Cyber security (09/2010)

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## Sweden

Capital: Stockholm  
Population: 9.1 million  
GDP: \$ 384.7 billion  
World ranking: 34  
Currency: Krona SEK  
Language: Swedish



### SUMMARY

The Swedish market for safety and security equipment has grown significantly in the recent years and currently the estimated annual market growth is 15%. The greatest growth prospects are in the value-added market segments, such as wireless CCTV, passage and access control, electronic article surveillance (EAS) and biometrics.

Traditionally, the demand for increased and more advanced security solutions has been controlled and steered by economic development and by normal and foreseen changes in society. Today even the historically relatively safe Sweden has been forced to take into account the aspect of global terrorism and its impact on the whole concept of security. In addition to the more traditional security measures, concerns for the threat of conventional and cyber terrorism, airport, port and official building security, access control, BCPs and CBRN protection have come into focus, as the country experienced its first suicide bombing in late 2010.

### MARKET ENTRY

The largest end-user groups of security and safety equipment and services are the transportation sector (aviation, maritime and goods transport), the energy sector and large manufacturing companies. The top requirements in Sweden include protection of high threat targets like nuclear power stations, transportation infrastructure and aerospace and border protection. Border control has grown in importance due to the need to better manage the constantly increasing passenger flow and due to the removal of internal border checkpoints and controls within EU.

Business practices in Sweden do not differ greatly from those in the US. Most Swedes speak fluent English and there are only few cultural differences. While many US firms focus on short-term transactions and require or prefer quick decisions, most Swedish firms are consensus oriented, cautious and prefer to work on a long-term basis.

Since Sweden is a fairly small market in a European context, it is preferable to appoint one exclusive agent instead of several sub-agents. Sweden can also be used as the focal point for the Nordic area, as several Swedish companies have sales offices in the neighboring countries of Finland, Denmark and Norway

### **CURRENT MARKET TRENDS**

Sweden has witnessed a series of both domestic and international crises that have forced the focus on improvement of overall national security. The attempt to tackle increasing criminality and widespread organized delinquency has exposed the fact that there is an insufficient security planning capacity in many of the Swedish cities. Also, several international incidents have made the threat of global terrorism and NCB attacks more tangible even in Sweden.

The Swedish Civil Contingencies Agency, MSB, is a government agency that coordinates and develops the preparedness of the Swedish society to manage serious crises. MSB works together with municipalities, county councils and government authorities, as well as the business community and several organizations, in order to reduce the vulnerability of society and improve the capacity to handle emergencies. MSB's emergency planning summarizes the current main priorities: technical infra- structure; transport; hazardous substances (including chemical, biological, radiological, nuclear); economic security; coordination and information by geographical area; protection, emergency response and care.

### **MAIN COMPETITORS**

The Swedish market for safety and security equipment is very sophisticated. Some of the important competitive factors for entering the market are the technical and qualitative characteristics of the product, financing and delivery terms, technical skills, personal service and close communications with the local representative.

Domestic manufacturers have a strong hold of the Swedish mechanical protection market, while U.S. components and security technology for CCTV and access controls systems are well received and JV projects are common. Swedish security companies are continuously developing security devices and integrated security solutions using the latest communications technology. Providing hardware and software for the domestic system development companies is an excellent means of entering the Swedish market for a New-to-Market US manufacturers. Third-country imports come mainly from other EU countries, such as Germany, from other Nordic countries and Asia.

## CURRENT DEMAND

Both public and private sectors are demanding security solutions that integrate the different aspects of protection, from access control to electronic article surveillance, physical security and crisis management. There are good opportunities for US companies providing access and detection control products and services for high-risk establishments, such as nuclear power stations, military establishments, correctional facilities and federal institutions.

The most promising sub-sectors are equipment for both domestic and corporate security and protection, ranging from simple alarms and protective devices to complex wireless digital systems that integrate fire alarm, passage control, area control and CCTV. Other growing sectors are consulting and guard services and security training sectors. In the IT security market the largest subgroups are identification systems, antivirus programs, PKI, intrusion detection and backup equipment.

## BARRIERS

Sweden offers an open market with few regulations and impediments to trade. Since 1995, Sweden has applied EU internal tariffs for import from outside the European Union, including from the United States.

The customs duty on safety and security equipment, such as locks, sensors and readers varies between 2.7% to 3.7%, and a 25% Value Added Tax is assessed on all imported goods.

To sell their product on the EU market, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. Products that are imported to the EU must meet the EU standards for electricity and voltage. Swedish standardization bodies work closely with their EU counterparts, and a majority of EU standards apply even in Sweden. Also, most of the national SSEN standards are in conformity with the corresponding EU standards but it is always useful for a NTM company to check if there are any essential national standards to be met by their product. A complete list of safety & security related standards is available through the Swedish Standards Institute SIS at [www.sis.se](http://www.sis.se).

## TRADE EVENTS

Name of event: ASIS 12<sup>th</sup> European Security Conference and Expo

Date: April 14-16, 2013

Location: Göteborg

English language website:

<http://www.asisonline.org/education/programs/gothenburg/default.htm>

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

Swesec AB (Association of Swedish Security Companies) [www.swesec.se](http://www.swesec.se)

Swedish Standards Institution, SIS <http://www.sis.se>

The Swedish Civil Contingencies Agency, MSB [www.msb.se](http://www.msb.se)

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## Taiwan

Capital: Taipei  
Population: 23 million  
GDP: \$ 885.3 billion  
World ranking: 20  
Currency: New Taiwan dollars (TWD)  
Language: Mandarin Chinese (official), Taiwanese (Min), Hakka dialects



### SUMMARY

In recent years Taiwan's economic liberalization and internationalization has made domestic competition increasingly fierce and has attracted both foreign and domestic companies into the market. Since the tragic events on September 11, 2001, public attention has been drawn to "Homeland Security". Such needs immediately resulted in an increase in demand for cutting-edge technology, security measures, and security monitoring systems in Taiwan.

With terrorism being seen all around the world and unanticipated natural disasters, safety and security (S&S) has emerged as a promising market in recent years. Technological improvements, new applications, and increased concerns of public safety are providing a positive stimulus to the S&S market in Taiwan. U.S. security equipment manufacturers will find Taiwan a promising market to pursue as more and more enterprises have found the need to safeguard their information systems as well as their manufacturing facilities.

### MARKET ENTRY

S&S products and services are marketed in Taiwan through locally established subsidiaries or branch offices as well as through local sales agents or distributors. The Commercial Service office in Taiwan can offer assistance in locating pre-qualified partners, agents, and distributors, and can also answer many of your questions regarding doing business in Taiwan.

### CURRENT MARKET TRENDS

Thanks to Taiwan's booming economy, tightened rules, and regulations stipulated by Taiwan authorities, an increase in awareness for quality, safety, and standards of living results in the outlook for S&S products and services very promising. The S&S industry has a wide range of product items and the best prospects are fire safety apparatus, surveillance products, and information security systems.

Taiwan depends on foreign imports for high-end, high value-added products of fire safety apparatus and approximately 95% of them are imported from the U.S., Japan, and the United Kingdom. Surveillance products are seen as the most promising sub-sector in the S&S industry. Security surveillance has evolved from analog to digital to Internet Protocol with the latest trend of integrating the devices of video surveillance with intelligent detection.

## **MAIN COMPETITORS**

There are several U.S. security companies already active in Taiwan, including AES, Tyco, 3M, Honeywell, L3, Cisco System, UTC Fire & Security, and Unisys. The top information security vendors worldwide by market share in 2011 were Symantec, McAfee, Trend Micor, IBM and EMC. Among the top 10 vendors by revenue, the fastest-growing vendors were Kaspersky Lab, Cisco, and EMC. Despite an increase number of mergers and acquisitions in Taiwan, the market remains fragmented, with a number of regional players dominating the market.

## **CURRENT DEMAND**

Taiwan's market for S&S products and services continues to offer excellent business opportunities for U.S. firms. Taiwan imported US \$924 million and US \$1,625 million and US\$1,355 million worth of S&S equipment in 2009, 2010 and 2011, respectively. The S&S import market is expected to increase by another five percent per annum in the coming years. Imports of high-quality products should expand quickly due to strong demand and relatively weak high-end domestic competition.

## **BARRIERS**

There are no known non-tariff barriers imposed on imports of S&S products and services in Taiwan, nor are there any impediments that threaten market access. Currently, there are no forthcoming regulations, nor legislation that might prove to be an impediment to imports.

Labeling and instructions and/or sales literature in the Chinese language are required when selling products in the Taiwan market. Taiwan labeling regulations require that the net contents of packaged goods shall be shown in metric units. Dual labeling in metric and non-metric units is permitted. Taiwan's Consumer Protection Law requires that all imported goods have Chinese language labels and instructions.

## TRADE EVENTS

Name of event: Secutech Expo

Date: April 24-26, 2013

Location: Taipei

English language website: [www.secutech.com](http://www.secutech.com)

Description: The 16th edition of Secutech will be held from 24 – 26 April, 2013 at Taipei Nangang Exhibition Center in Taiwan. This is a Trade Fair Certified event with 25,510 visitors from 97 countries. Secutech Expo is Asia's largest international exhibition and conference for the electronic security, info security, and fire and safety industry sectors.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

Taiwan – Information Security

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## Thailand

Capital: Bangkok  
Population: 67 million  
GDP: \$ 601.4 billion  
World ranking: 25  
Currency: Baht  
Language: Thai, English, ethnic and regional dialects



### SUMMARY

The Thai military and law enforcements continue to develop and improve their capabilities. Prioritizing maintenance requirements versus new procurements will be their critical tasks. Thai military have increased imports every year since 2007 and the US is the largest source of imports. As to the law enforcement industry, the Royal Thai Police (RTP) has played an important role in ensuring internal safety and security for Thai citizen and combating crime and illegal activities.

### MARKET ENTRY

Working with local Agent/Distributor/Representative is always recommended for U.S. companies. The Thai buyers are not normally and necessarily familiar with direct contact from potential foreign suppliers, given their internal limitations: management styles, English language, and lack of official and secured email accesses. Buyers value relationships when dealing with sellers. Sellers are advised to be patience and take time cultivating trust and to conduct their sales process: assessing demand, appointing a local agent/representative, conducting a product demo/presentation, and convincing buyers to appropriate budget.

### CURRENT MARKET TRENDS

Over the past four years, the annual Thai defense budget has ranged from \$4 -6 Billion. Thai defense budget was estimated at US\$5.6 billion, increased at compound annual growth rate (CAGR) of 21% during 2007-2011. Thai defense expenditure is projected to grow at a CAGR of 14% during 2012-2016, and the defense expenditure is expected to increase as a percentage of GDP from 1.5% in 2011 to 1.8% in 2016. This budget will fund the long-awaited development plan of the Thai Armed Forces.

The above plans are for ensuring Thailand's ability in coping with national security threats, including maintaining internal security, fighting terrorist and separatist groups, resolving border area disputes, and disaster recovery, all of which have become more prevalent in recent years.

## MAIN COMPETITORS

The United States is one of the prime defense and security equipment suppliers to Thailand. Although competitors from other countries such as China, Japan, Korea, and European countries offer fairly competitive pricing and equipment package terms, the Thai buyers bought U.S. products due to quality and advance technology.

## CURRENT DEMAND

In the past few years limitation; in terms of budget support, number of personnel, and equipment, have preventing law enforcement buyers from fully engaging in the civil unrest and national disaster relief.

The Thai military forces are normally responding to assist the RTP whenever the situation is out of the RTP's control. Possible RTP procurements include lethal and less-than-lethal police equipment including pistols, rifles, batons, bullet-proof vests, tear gases, batons and riot-control devices.

## BARRIERS

Most Thai military and law enforcements procurement information are non-public, and U.S. companies will need to work with local partners, whether consultants, agents, or distributors. Background checks are often recommended. Thai defense forces are increasingly more open to suppliers from non-NATO countries since their products are typically cheaper. U.S. companies need to adhere to Foreign Corrupt Practice Act (FCPA) requirements, whereas some of their competitors may not.

## TRADE EVENTS

Name of event: Secutech Thailand

Date: July 3-5, 2013

Location: Bangkok

English language website: [www.secutechthailand.com](http://www.secutechthailand.com)

Description: Secutech Thailand, the first and the most professional security, fire and safety trade fair in Thailand. With the great support from Thai Government and International Associations, the exhibition will attract more than 5,500 local channel players and end users.

Name of event: Defense & Security

Date: November 4-7, 2013

Location: Bangkok

English language website: [www.asiandefense.com](http://www.asiandefense.com)

Description: Defense & Security is now recognized as one of Asia's most important military displays and a must attend event for defense and security manufacturers. The 2013 show is set to be the largest multi-national exhibition yet. It will be held in Bangkok, Thailand in November 2013.

#### **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

<None>

#### **U.S. COMMERCIAL SERVICE CONTACT INFORMATION**

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# Turkey

Capital: Ankara  
 Population: 75.6 million  
 GDP: \$ 1.05 trillion  
 World ranking: 16  
 Currency: Turkish Liras (TL)  
 Language: Turkish



## SUMMARY

The total market for safety and security equipment and services in Turkey is estimated to be \$3.73 billion in 2012. Physical security services, meaning private security guards, patrols, and security training services captured around \$3 billion of the total market, electronic security methods \$500 million, and cash in transfer services (C.I.T., cash and valuables) \$180 million. As these figures indicate, the safety and security sector in Turkey is heavily weighted towards physical security services, due to the advantages of comparatively lower labor costs in Turkey. It can be expected that as the Turkish economy advances further, a shift towards electronic security systems will take place.

PRODUCT GROUP	% OF MARKET
Surveillance Systems (CCTV, IP cameras etc.)	55%
Fire Protection & Control	12%
Alarms & Warning Systems	14%
Access Control & Perimeter Security Systems	8%
Other	11%
<b>Total:</b>	100%

**Source: A&S Magazine Turkey**

\*The numbers are estimates out of interviews with the major players of the market. The reason for that is the products that enter the country unrecorded or with different GTIP numbers. It is predicted that 30% of the total sales is installation and services.

Turkish economy has a serious dynamism and a growth rate which cannot be seen much in Europe and this positively affects the sector. 2011 was a year of growth for Turkish economy and the sector. In 2012 growth continued however slowed down. The investments in Turkic republics even though affected the sector in a positive manner, the riots that took place in Libya and the North Africa and the debt crisis in Europe have adversely affected the investments in these

regions. Moreover the sudden increase in the parity of dollar towards the end of 2011 was a negative effect.

For many subsectors of the sector, construction environment in the country and the region is deeply related to the growth. As the construction sector kept its steady growth, the safety and security sector was affected positively. As urban revitalization and city transformation projects continued in 2012, especially in big cities there were positive reflections on the market. Fire warning systems, intercom systems were heavily used in the new buildings. Perimeter security and CCTV systems were installed. One of the decisive concepts for the sector will be green and smart buildings which are used more often.

## **MARKET ENTRY**

U.S. suppliers enjoy an excellent reputation for quality, reliability, timely delivery and after-sales service. Aggressive marketing, accompanied by suitable financing packages, can increase the U.S. market share further. U.S. companies should also focus on training the local distribution and sales network. This will ensure that end users will take full advantage of the capabilities of the newly acquired technology.

Imports are carried out by specialized importers/distributors, local subsidiaries of international manufacturers, or domestic manufacturers with a distribution network seeking compatible products to broaden their lines. Interested U.S. firms with expertise in high-tech equipment may consider joint ventures with locally based security companies seeking diversification.

To bid on government contracts, foreign firms must either be legally established, or have an authorized representative in Turkey prior to bidding, which is another reason to consider teaming with a reputable local agent/distributor.

U.S. firms can take advantage of U.S. Department of Commerce services to find an appropriate representative through the International Partner Search (IPS) and Gold Key Services (GKS). For more information on these, please refer to our website, <http://export.gov/turkey/>

## **CURRENT MARKET TRENDS**

Major suppliers of the electronic security systems market in Turkey are from the U.S., Germany, the U.K., Israel, Japan, Taiwan, China, South Korea, Italy and Canada.

In the less sophisticated security products sector, Turkey offers 100 percent local production of equipment like protective apparel, locks and lock subassemblies,

steel doors, laminated safety glass, portable fire extinguishers, safes, safety vaults, alarms and security panels. In the case of more advanced production, primarily imported components are used.

In the IT security sector, the most widespread and the most popular technologies in providing information security include encryption (cryptography), digital signature and PKI, network segmentation and firewalls, back up, attack detection and tracking, access control, security depth and anti-virus. Rising user awareness with security training will minimize the possibility of security gaps or other risk factors.

Prominent technologies regarding the gathering, storing, and distribution of information are among the top priorities of Turkey's private sector. Despite the global economic crisis that led to less spending on information technology infrastructure and upgrades, the IT security industry has been one of the few industries to remain in constant growth throughout the crisis. The same holds true in Turkey.

Corporate and government IT security systems are a particular focus in the Turkish market. Security of information leaving the company as well as identity theft, network security against attackers, viruses, trojans and storage of network activities are among the top priorities with particular emphasis on providing legally sustainable evidence used in courts of law.

Sensormatic Chairman of Board Mr. İsmail Uzelli emphasizes while IT companies try to become security companies as a result of using the same materials, the security companies have become significant server and switch providers due to the increase in their sales in this field. (Source A&S Magazine)

## **MAIN COMPETITORS**

Please see below some major players in the sector. You will see both local and foreign (including US) names working in many subsectors.

Bosch Security Systems - [www.tr.boschsecurity.com/](http://www.tr.boschsecurity.com/)

Senkron Security and Communication Systems - [www.senkronguvenlik.com.tr/](http://www.senkronguvenlik.com.tr/)

Öncü Security Systems - [www.oncuquvenlik.com.tr/](http://www.oncuquvenlik.com.tr/)

Sensormatic Security Systems - [www.sensormatic.com.tr/](http://www.sensormatic.com.tr/)

UTC Climate, Controls & Security Systems - [www.utccclimatecontrolssecurity.com](http://www.utccclimatecontrolssecurity.com)

Okisan Security Systems - [www.okisan.com.tr/](http://www.okisan.com.tr/)

Bilmak Security Systems - [www.bilmak.com.tr/](http://www.bilmak.com.tr/)

Bilgi Electronic - [www.bilgielektronik.com.tr/](http://www.bilgielektronik.com.tr/)

Videofon Security Systems - [www.videofon.com.tr/](http://www.videofon.com.tr/)

Pelco Security Cameras & Surveillance Systems - [www.pelco.com/](http://www.pelco.com/)

Honeywell Turkey - [www.honeywell.com.tr/](http://www.honeywell.com.tr/)

Siemens - [www.siemens.com.tr/](http://www.siemens.com.tr/)

Pronet Security - [www.pronet.com.tr/](http://www.pronet.com.tr/)

Ateksis - [www.ateksis.com/tr\\_Default.aspx](http://www.ateksis.com/tr_Default.aspx)

Kekova Security Systems - [www.kekova.com.tr/](http://www.kekova.com.tr/)

NFS Security - [www.nfsteknoloji.com/](http://www.nfsteknoloji.com/)

Profilo Security Systems - [www.profiloguvencilik.com/](http://www.profiloguvencilik.com/)

## CURRENT DEMAND

All around the world, including Turkey, the U.S. electronic security products have set the standard, as most of the industry R&D and technological innovations are realized in the U.S.

Best prospects for U.S. companies include:

- Closed circuit television systems
- IP based surveillance systems
- Full HD products
- Fiber optic cable or linear cable
- Biometrics applications
- Microwave detectors
- Anti-aggression and anti-hold-up
- Anti-shoplifting equipment
- Systems for automation of homes
- Remote positioning devices
- X-ray machines
- Forensics equipment
- Card access systems
- Integration applications between
- Mobile DVR

An important market trend in Turkey is the demand for integrated security solutions marketed by independent security consultants. These integrated solutions cover on-site and immediate response personnel, electronic security and alarm systems, and fire-related security all in one package. U.S. companies can find opportunities in the turnkey design of integrated security projects.

The Turkish Government has increased its expenditures in hardware, software and education in battling cyber threats. In order to implement these defenses the Departments of Justice, Interior, the Turkish National Police, and the Turkish military have all updated their information security technologies. All governmental and military institutions have been training their personnel up to international standards and have been inviting expert professionals from abroad to provide further training. Resources indicate that the Turkish government and private sector institutions are looking at new technologies to enhance their IT security systems. Given that there are 15 major cities in which the national police have established crime laboratories, it is expected that the government spending on digital IT investigations will increase.

The pick-up in the construction sector accelerated the housing, hospital, shopping center and residence projects in the private sector; however, the biggest consumer this year is again the public. In the public sector, the projects at the fore were city surveillance, transportation projects (airports, undergrounds, tunnels, etc.) and public buildings. In addition to these, the security projects conducted by banks and universities in the past years were decisive, too.

Okisan General Manager Mr. Ekrem Özkara points out the increase in demand in Mobile DVR Systems. He says that 800-100 mobile DVR projects have been launched in school buses, public buses in many cities as the government made them mandatory in 2011 and predicts that this process will continue increasingly in the coming years, too. Another development on the product base has been in the fire sector. In 2011, the EN 54 standard which is known as the European standard in the fire detection systems was expanded so as to cover the sound system in order to meet the market demand for the integration of fire detection systems and emergency public address systems. Maintaining its leadership in the international standards in security products being widespread, Bosch was one of the first companies to support the new EN 54 standard in the sound system. (Source A&S Magazine)

## **BARRIERS**

The problem of standards is giving hardship to all the players in the sector. It is one of the biggest obstacles before the better development of the sector. Even though Turkey is among a few countries that can grow in comparison with Europe, the regulations and standards in Turkey are not what they are expected to be.

Senkron Güvenlik General Manager Mr. Bülent Çobanoğlu states that “We have deficiencies about certification. There is no selection or superintendence in the participation of the companies in the sector although the number of the companies that join the sector is on the increase.” Secondly, mentioning that there is no specialty customs for the security sector in Turkey, Çobanoğlu says, “Unfortunately, we still pay SCT (Special Consumption Tax). A photograph camera in every man’s pocket is considered luxury, and so are the cameras that are used in closed circuits. However, these systems are not luxury but need. We would like the SCT to be cancelled and the VAT (Value Added Tax) to be decreased. Thereby, this will directly affect the end user and sales will increase.” He emphasizes that this process will also prevent illegalities. (Source A&S Magazine) One last issue for US companies is the fact that the market is very price sensitive. Therefore American cutting edge technologies are more competitive in the Turkish market

## TRADE EVENTS

Name of event: IFSEC Istanbul

Date: September 30-October 2, 2013

Location: Istanbul

Description: IFSEC Istanbul is the new security, fire and safety event for Southeast Europe and the Middle East. Targeting more than 3,000 security professionals and 160+ exhibitors from Turkey and the surrounding region, the event reflects the changes in the region's regulatory environment which make Turkey one of the most promising markets to target the wider geographical area. The event is supported by the leading industry associations in Turkey as well as IFSEC's traditional partners, ministries and government agencies.

Name of event: ISAF

Location: Istanbul

English language website: <http://www.isaffuari.com/?lang=1>

Description: It is a big trade show with all of the subsectors of safety and security sector. It has 5 sections: Security, Fire, Safety & Health, IT Security and Smart Houses.

Name of event: EMEA Intelligence

Date: September 17-19, 2013

Location: Ankara

English language website: <http://www.emeaintelligence.com/>

Description: It is an international intelligence & surveillance technologies conference and exhibition. It is accredited by US Department of Commerce.

Name of event: Cebit Bilisim Eurasia

Date: October 24-27, 2013

Location: Istanbul

English language website: <http://www.cebitbilisim.com>

Description: The leading ICT industry exhibition in Eurasia gathering local and international companies, governmental bodies, NGO's and academicians. It is an ideal platform for information sharing with forums & summit topics covering the full spectrum of business technologies, and matchmaking activities.

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## Ukraine

Capital: Kyiv  
Population: 44.85 million  
GDP: \$ 329.3 billion  
World ranking: 39  
Currency: Hryvnia  
Language: Ukrainian, Russian



### SUMMARY

Safety and security equipment is becoming one of the most promising sectors for U.S. exporters in the Ukrainian market. Currently domestic manufacturers are unable to meet the demand, both in terms of technology and the quality required. Imported equipment dominates the market, especially the high-tech security market. Due to local licensing requirements, security services are provided by local companies. The market for fire safety and technological security is the best organized segment within the Ukrainian security industry.

Although significant, the safety and security equipment and security services market in Ukraine cannot be calculated using traditional methods. Market analysis is complicated by the difficulty in obtaining reliable statistical data from the GOU, or any other sources. No reliable statistics are available. According to the estimates of the Ukrainian Security Industry Federation the Ukrainian security market consists of more than 5,000 companies employing about 100,000 and contributes 1.43% to national GDP.

The following data applies to the safety and security equipment market. There are:

- 1,500 CCTV companies;
- 1,500 security alarm firms;
- 750 licensed fire alarms companies;
- 1,200 access control systems companies.

The fire threat monitoring market grosses approx. \$ 127 million - according to the Ukrainian Ministry of Emergencies (MOE).

Ukraine currently lacks legislation governing the safety and security market. However, due to strict regulation and supervision by the Ministry of Interior, many employees of private security companies are limited in use of special equipment. About 50% of all safety and security services are provided by divisions of the Ministry of Interior. Note: The State Guard Service of the Ministry of Interior is the only security service authorized to use armed guards.

Ukraine and Poland co-hosted UEFA EURO Football Championship in June 2012. The infrastructure build-up for the UEFA Euro 2012 championship resulted in purchases of high-tech sensing and detection devices and equipment, as well as advanced surveillance and access control systems.

## MARKET ENTRY

U.S. companies entering the Ukrainian market should approach this market with a long-term perspective. Business in Ukraine is often based on relationships, and selecting a good local partner and/or establishing a local office are crucial to long-term success. In Ukraine, dozens of agents and distributors are active in the safety and security market. The market is fragmented and competitive, and it is very important to work with a local partner. Presence through local partners is essential when working with the government or responding to public tenders, which are some of the most common end-users.

The U.S. Department of Commerce offers the Gold Key Matching Service (GKMS) and International Partner Search (IPS) programs which have a proven record to help U.S. suppliers gain access to the Ukrainian market. For more information on these programs or market data, please contact the U.S. Commercial Service in Kiev, Ukraine as follows: e-mail: [olena.stephanska@trade.gov](mailto:olena.stephanska@trade.gov), phone: +380-44-521-5387.

U.S. exporters should also be aware that export of some security items to Ukraine is subject to the export licensing by the U.S. Department of Commerce (see [www.export.gov](http://www.export.gov)).

### Product approval requirements

Exporters of security systems need to be aware of mandatory certification requirements for low voltage (LV) equipment and electromagnetic compatibility (EMC). Dozens of EU harmonized standards have been introduced into Ukrainian technical regulation system, e.g. Technical Regulation 2009/785/UA relating to EMC. However, Ukrainian technical regulations system is still characterized by burdensome, *ex ante* control and widespread compulsory standards.

Companies importing products into Ukraine need to present a Declaration of Conformity (DC) for number of products as determined by the Ministry of Economic Development and Trade of Ukraine (MEDTU) as Listing of Products Subject to Technical Regulation [http://www.leonorm.com/P/NL\\_DOC/UA/201101/LYST3432.htm](http://www.leonorm.com/P/NL_DOC/UA/201101/LYST3432.htm).

The listing now includes more products, even those products that are not subject for obligatory certification in Ukraine. <http://zakon1.rada.gov.ua/laws/show/z0466-05>

This Declaration of Conformity, as well as Certificate of Conformity, is issued by the same Ukrainian certification centers. Contacts of most of them are found at the Ministry of Economic Development and Trade of Ukraine (MEDTU) (in Ukrainian only):

[http://www.me.gov.ua/control/uk/publish/category/main?cat\\_id=188218](http://www.me.gov.ua/control/uk/publish/category/main?cat_id=188218)

### **Licensing requirements**

In Ukraine, fire-prevention services are subject to licensing. Depending on the facility's fire risk category – high, medium or low – businesses are provided with various license types. Economic methods of security management are not developed and the majority of business activities are consequently regulated by administrative measures.

State building codes regulate the design, installation, operation and maintenance of fire and technological security systems.

Licensing in the protection market is in the form of a Basic Guarding Business Law. The duties of the licensing authority are granted to the State Guarding Service of the Ministry of the Interior. The major public organization within the guarding market is the [Ukrainian Federation of Professional Security](#).

### **CURRENT MARKET TRENDS**

The development of the Ukrainian safety and security market is closely linked to country's general economic growth, which is weak. While over the last few years the public sector in Ukraine purchased significant quantities of safety and security equipment for law enforcement, access control, and public safety purposes, that spending is still insufficient to catch up with its European neighbors.

The Ukrainian market for safety and security has potential for steady development because of the country's developing infrastructure and improvement of certain sectors that are in high demand of safety services and systems. For example, growth of retail trade and the fact that shops are shifting to self-service system has created a fertile environment for security companies, in particular CCTV and video-surveillance and anti-theft systems.

## MAIN COMPETITORS

Foreign companies supply equipment and systems for perimeter security, CCTV and video-surveillance systems; access control systems, screening equipment, and fire protection systems. French, German, Israeli, Japanese, Chinese and Taiwanese companies are active in the market. Competition from China and Taiwan is growing due to the sharp decrease of budgets caused by the crisis.

The following systems are produced locally: counter-espionage systems, data protection systems, optical registration devices, systems for technical safety of buildings, fire alarm systems, signal receiving equipment, radiation detectors, and cryptographic security units. Biometric technologies are well developed in Ukraine. There are several local developers and manufacturers of biometric identification systems, biometric access control and time and attendance systems.

During the past few years, U.S. exporters have become more active in the Ukrainian market. Some of these companies have participated in trade programs, investment projects, and have exhibited at Ukrainian trade shows. Exhibiting in industry trade shows is an effective method for introducing new products into Ukraine.

## CURRENT DEMAND

The most promising prospects are:

- Airport passenger and baggage screening equipment
- Access control systems
- Equipment for detection of explosives and drugs
- Security cameras for large facilities
- Wireless security solutions.

## BARRIERS

Importers to Ukraine should expect a slow working bureaucracy and an unusually large volume of paperwork. Importers are required to complete a customs freight declaration for every item imported. Use of licensed customs brokers to navigate the often non-transparent and seemingly inconsistent customs regulations is recommended.

U.S. suppliers of security/safety equipment should be aware that the WTO/Government Procurement Agreement does not cover security and safety equipment, so that Ukraine (and likewise, the US government) may invoke essential national security interests to restrict certain sensitive procurement contracts from foreign participation. However, a number of security and safety equipment contracts are still open to U.S. participation.

## TRADE EVENTS

Name of event: KIPS - the International Exhibition of Protection, Security and Fire Safety

Date: February 20-22, 2013

Location: Kiev

English language website: <http://en.kips.com.ua>

Description: KIPS, the annual international specialized exhibition of security systems and technologies, was launched in 2011 by the exhibition company ITE Group (UK) and Premier Expo (Ukraine). KIPS also includes a business forum that discusses the key issues facing the security industry in Ukraine.

Name of event: BEZPEKA - IFSEC (Security) Exhibition

Date: October 15-18, 2013

Location: Kiev

English language website: [http://www.bezpeka.ua/index\\_e.php](http://www.bezpeka.ua/index_e.php)

Description: BEZPEKA is the annual security event in Ukraine since 1997. BEZPEKA features complete range of security systems, systems and technologies for fire protection and information security/protection.

## AVAILABLE MARKET RESEARCH & OTHER RESOURCES

The Ministry of Emergencies of Ukraine: <http://www.mns.gov.ua/>

The Ministry of Interior of Ukraine: <http://www.mvs.gov.ua/>

Ukrainian Security Industry Federation (USIF): <http://www.ufib.com.ua/eng/>

Ukrainian Union Fire and Technological Safety (UFTSU): <http://usptb.org/?language=EN>

Ukrainian Security portal: <http://www.security-ua.com/>

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## United Arab Emirates

Capital: Abu Dhabi  
Population: 7.891 million  
GDP: \$ 360.2 billion  
World ranking: 30  
Currency: UAE Dirham (AED)  
Language: Arabic (official), Persian, English, Hindi, Urdu



### SUMMARY

Continued strong economic growth, bolstered by soaring oil prices coupled with continued activity in the commercial, shipping, property, financial and tourist sectors in the UAE means that defense budgets will continue to be robust. Regional tensions in the region and uncertainties in Iran will greatly stimulate brisk arms trade in the UAE in the medium-term.

The Arab Spring of 2011 and the changing security scenario worldwide have led to the UAE government revising security measures and legislation to combat security threats. Demand for various security products, especially closed circuit television sets (CCTV), surveillance cameras, perimeter control and access control systems have shot up sharply, with the hospitality sector leading the demand.

In addition, projects that were stopped a few years ago are now moving forward, which has also contributed to a greater demand. Security consultants and dealers in the UAE are expecting a bullish market in the near mid-term, with more demand for access control systems and surveillance cameras across the Emirates.

In general terms, the safety and security sector in the UAE can largely be classified under five segments: Commercial Security & Information Security; Aviation Security; Homeland Security & Policing; Fire & Rescue and Safety & Health.

However, despite the continued importance of the safety and security sector, the UAE has only minimal local capacity for security-related production.

### MARKET ENTRY

Various government entities in the UAE contract with private sector vendors for the procurement of goods and services for performing public works. Depending

on the nature and scope of the work, government entities offer two types of tenders for selecting qualified vendor(s):

**Public Tenders:** Procurement and contracting processes in public tenders involve four main steps viz., announcement of tenders, evaluation of proposals, awarding contracts and supplying items or performing work.

Public tenders can be either global where invitations to tender are open to suppliers and contractors from within the country and abroad and advertised in the local as well as international media, or local where invitations are restricted to all suppliers and contractors within the country and advertised in the local media only.

**Restricted Tenders:** For restricted tenders, calls for bids are sent only to suppliers and contractors (at least three) whose names are registered and are selected by the concerned entity. Except for public advertising, all the rules and procedures pertaining to public tenders apply to restricted tenders.

The concerned entity publishes a written invitation to tender in newspapers, magazines and its official website (in case of public tenders) or sends the invitation directly to a specific number of suppliers or contractors (in case of restricted tenders) in order to get detailed offers.

To be qualified to work with any government entity in the UAE, contractors and suppliers must register with the concerned entity by submitting a completed pre-qualification application form to the procurement department. Prior to that, they must have obtained all necessary licenses to practice the type of activity from the Department of Economic Development (DED), the Chamber of Commerce and Industry or any other competent authority in that Emirate. They should also be adequately staffed with qualified technical personnel having the necessary skills, in addition to the availability of proper equipment, workshops and warehouses.

Since direct purchases from foreign suppliers are very rare, it is important to work through a local agent/distributor that has the ability not only to supply/install goods but also provide proper and timely after-sales service. Therefore, selecting a local partner can be a critical first step in operating in the UAE. A reputable agent with good contacts can provide timely information, which is often very important for foreign companies. In addition, in view of increased importance to provide adequate after-sales service, choosing a competent agent who has the resources and ability to 'qualify' is of high importance. Not only do the local agents provide knowledge of the market, they greatly assist in managing technological and cultural differences, while at the same time sharing local marketing and sales support tools.

## CURRENT MARKET TRENDS

As a regional trade hub supporting intense international business activity, the UAE does present an extremely competitive business landscape for American companies. Many successful American firms rely on technological, qualitative advantages in facing often less expensive, low-quality foreign competition.

**Commercial Security & Information Security** which includes CCTV, Video Surveillance equipment, internet security, anti-virus software, SPAM filters, Biometric Identification Systems, digital signature, data security/protection/recovery, system back-ups, software protection, user right management, etc., are considered good prospects in the UAE's ever growing surveillance sector.

**Aviation Security:** With a steady increase in Abu Dhabi, Dubai, Sharjah and Ras Al Khaimah Airport traffic, aviation security remains of vital interest to the UAE, with airport security expenditures expecting to hit around \$ 57.7 million by 2015.

**Homeland Security & Policing:** The growing internal security challenges in the Middle East have raised demand among the region's authorities and security agencies for innovative products to improve Homeland Security. Both government law enforcement agencies and private companies are allocating more budgets to control terrorist attacks. The UAE's spending for Homeland Security products is set to double from USD 5.5 billion to USD 10 billion in the next ten years.

**Fire & Rescue:** With a greater number of tall buildings, fire resistant construction is being closely regulated by all, including: Civil Defense Forces, Police, Army, Security and Safety Officers, Architects, Construction Companies and Developers, thereby providing future business opportunities.

**Safety & Health:** As UAE's construction industry prepares to deliver multi-billion dollar projects, the health and safety regulations in the country are becoming increasingly stringent. That in turn is reflected by an increased investment in more health and safety products, such as jackets, shoes, helmets, etc., and services to help ensure safety at work.

## MAIN COMPETITORS

Competitors include specialized security and technology systems integrators from various U.S, European, Asian, South African and Australian product manufacturers. Some of these products supplied are high-end IP Camera systems, Automatic Number Plate Recognition, Video Analytics, Radar Systems

and real-time IP based access control solutions. Apart from those, competition exists from suppliers of: Manual/Automatic Retractable Traffic Bollards; Turnstiles and e-Gates - Vertical Tripod/ Bridge-Type Tripod/ Swing Barrier Turnstiles Gates, etc.; Automatic/Shallow Road Blockers; - Automatic/Hydraulic Tire Killers/Spikes; Security Crash Barriers - Active Crash Rated Barriers/ Drop Arm Crash Rated Barriers and Walkthrough Metal and Passenger Baggage Detectors, etc.

## **CURRENT DEMAND**

With security remaining an integral concern in this part of the world, it is estimated that investment in advanced security solutions, primarily in government-initiated projects in the UAE will continue. As long as tensions within the greater Middle East remain, there is a potential to affect security in the country. Also, with a large expatriate population, the possibility of reaction to events in their home countries cannot be totally ignored. In order to combat any negativity and to curtail cross border infiltration, the UAE continues to intensify security at airports, land routes, seaports and coastline patrols.

Having major infrastructure and oilfield installations, the UAE offers the greatest potential for Security Risk Management of major infrastructure projects. The value of these assets and the threat profiles of recent attacks by terrorist groupings in the region indicate that major infrastructure projects are the most likely targets. These markets continue to offer great prospects for Crisis Management and Incident Management preparedness based on software solutions that aid commanders' decision making. Subsequently, interest in new technical solutions is growing to a greater extent than previously experienced, resulting in tremendous opportunities for U.S. companies. The market for security consultancy services in the UAE is one other area that is likely to experience a period of significant growth as understanding of threats and their approach to risk management becomes more valuable.

Apart from the above, the UAE continues to gain from being the hub for key trade events such as INTERSEC, IDEX, ISNR, etc. On the one hand they provide the chance for the authorities and private companies to familiarize themselves with the latest products, services and technologies in the field. On the other hand, neighboring countries also benefit substantially from the exhibition and have a chance to update and upgrade their security infrastructure. This in turn impacts the UAE's own security in an indirect way particularly in countering mutual threats such as border supervision to prevent infiltration, smuggling and other illegal acts.

In view of the above, the UAE's security market has attracted many companies, ranging from small, watchman providers to large multinational companies. The

country is now expertly contributing to the security and stability of the Gulf and playing a vital role in the global security infrastructure surrounding the global War on Terror.

## **BARRIERS**

There are no trade barriers against U.S. products. Imported goods are subjected to 5 per cent customs duties on CIF value.

The UAE's Offsets Group program (now renamed as "Tawazun Economic Council" – [www.tawazun.ae](http://www.tawazun.ae)) requires defense/security contractors which are awarded contracts valued at more than \$10 million to establish commercially viable joint ventures with local business partners that would be projected to yield profits within a specified period.

The UAE is not a signatory to the WTO Agreement on Government Procurement.

## **TRADE EVENTS**

The U.S. Commercial Service offices at the U.S. Embassy in Abu Dhabi and the U.S. Consulate in Dubai support a wide range of trade exhibitions and promotion events designed to aid American firms seeking to enter the UAE market. Details on many of these activities are available on the following website: [www.export.gov/uae](http://www.export.gov/uae).

In 2013 and 2014, major security related trade conference/events include:

Name of event: IDEX

Date: February 17–21, 2013

Location: Abu Dhabi

English language website: <http://www.idexuae.ae>

Description: IDEX is an international defense exhibition and conference demonstrating the latest technology across land, sea and air sectors of defense and security. It is a unique platform to establish and strengthen relationships with government departments, businesses and armed forces throughout the region. It is a biennial event that attracts over 1000 local, regional and international defense and security manufacturers and suppliers to a 5-day event.

Name of event: ISS World ® MEA

Date: March 4–6, 2013

Location: Dubai

English language website: [http://www.issworldtraining.com/ISS\\_MEA/index.htm](http://www.issworldtraining.com/ISS_MEA/index.htm)

Description: ISS World MEA is a gathering of Middle East and African Law Enforcement, Intelligence and Homeland Security Analysts as well as Telecom Operators responsible for Lawful Interception, Hi-Tech Electronic Investigations and Network Intelligence Gathering. The Program presents the methodologies and tools in the fight against drug trafficking, cyber money laundering, human trafficking, terrorism and other criminal activities conducted over telecommunication network and the Internet.

Name of event: INTERSEC

Date: January 19–21, 2014

Location: Dubai

English language website: [www.intersecexpo.com](http://www.intersecexpo.com)

Description: Intersec Expo provides an international meeting platform for security, rescue, safety and protection in the Middle East. The show is split into the following product sections: Commercial Security, Information Security, Fire & Rescue, Safety & Health, Homeland Security.

Name of event: International Security Safety & National Resilience Exhibition & Conference

Date: April 1-3, 2014

Location: Abu Dhabi

English language website: [www.isnrabudhabi.com](http://www.isnrabudhabi.com)

Description: ISNR (International Security & National Resilience) exhibition and conference is the definite event that brings together the entire spectrum of homeland security issues under one roof in the Middle East. ISNR is organized by Reed Exhibitions in association with the UAE Ministry of Interior in order to provide solutions for the public & private sectors. The event will be held under the patronage of HH Sheikh Mohammed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of UAE Armed Forces, and supported by the Ministry of Interior in the United Arab Emirates.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

2012 Country Commercial Guide

[http://export.gov/unitedarabemirates/build/groups/public/@eg\\_ae/documents/webcontent/eg\\_ae\\_052507.pdf](http://export.gov/unitedarabemirates/build/groups/public/@eg_ae/documents/webcontent/eg_ae_052507.pdf).

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## United Kingdom

Capital: London  
Population: 63.04 million  
GDP: \$ 2.288 trillion  
World ranking: 9  
Currency: British Pounds  
Language: English



### SUMMARY

The UK market for IT security solutions is substantial at \$8.5 billion and growing rapidly. The market consists of two main segments: security software and services; and security appliances. The software and services market is growing most rapidly as organizations of all sizes address the continuously growing threats of cyber crime, terrorism and warfare. The rate of growth in the security appliance market is not as substantial, but is creating significant opportunities for suppliers of unified threat management devices and integrated security solutions.

### MARKET ENTRY

While the UK market is substantial, mature and growing rapidly, there can be significant challenges to newcomers in the market with no previous track record in the UK. For that reason, it is advisable to consider partnering with an established local partner. For UK government-related opportunities, it is important to have a UK incorporated presence.

### CURRENT MARKET TRENDS

IT security threats represented by the explosive growth in social media usage represent a key growth trend. Cloud security is another growth area. The UK government has recently allocated \$ 1 billion to addressing cyber threats. The UK government's recently published national security technology procurement strategy emphasized the need for off the shelf solutions from well established suppliers that can be deployed quickly, suggesting a good opportunity for US companies with a strong existing track record in the US.

### MAIN COMPETITORS

All the main US suppliers typically do well in the UK. British companies operating in the market vary in size from small niche software companies through to a handful of major UK-owned global operators such as BAE Systems and EADS. Other foreign players active in the UK include Thales and Finmeccanica.

**CURRENT DEMAND**

External Spending	2009	2010	2011	2012	2013
Products	3,328	3,584	3,952	4,352	4,792
Services	2,000	2,128	2,288	2,480	2,688
Total external spending	5,328	5,712	6,240	6,832	7,480
% change year-on-year	6.7	7.2	9.2	9.5	9.5
Internal spending	2,096	2,216	2,352	2,528	2,720
% change year-on-year	5.2	5.7	6.1	7.5	7.6
Total	7,424	7,928	8,592	9,360	10,200
% change year-on-year	6.3	6.8	8.4	8.9	9

Source: Keynote Market Research

**BARRIERS**

The UK market is open and very receptive to US suppliers. However because the market is attractive it is also crowded, and one of the main challenges faced by new US entrants is getting visibility among the many competing solutions. Another challenge for selling into the largest UK buyer, the UK government, is the need to meet stringent testing and technical approvals procedures, which can prove time consuming and expensive for new entrants.

**TRADE EVENTS**

Name of event: IFSEC International

Date: May 13-17, 2013

Location: Birmingham

English language website: [www.ifsec.co.uk](http://www.ifsec.co.uk)

Description: Celebrating 40 years, IFSEC International is the largest meeting place for the security industry. Annually IFSEC attracts more than [650 leading solution providers](#) and more than 25,000 attendees from over 100 countries. Highlighted product categories include Video Surveillance, Physical Security, Perimeter Security, Access Control and Integrated Security.

Name of event: Infosecurity Europe

Date: April 23-25, 2013

Location: London

English language website: <http://www.infosec.co.uk>

Description: Europe's largest trade show for IT security, with 300 exhibitors and 10,000 visitors. A third of exhibitors are U.S. owned. The show is CS certified and offers a US pavilion for new market entrants.

## **AVAILABLE MARKET RESEARCH & OTHER RESOURCES**

UK: IT Security Market 2011

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## Global Safety and Security Team

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The U.S. Commercial Service's Global Safety and Security Team is comprised of domestic and international trade specialists, who provide targeted assistance to the U.S. safety and security companies. Our team members are located throughout the United States at Export Assistance Centers (USEACc) and in American Embassies and Consulates worldwide. We are the safety and security industry's primary export assistance resource and should be your first point of contact if you are looking to sell your products and services overseas. If your company is not currently working with our team member at your local USEAC, please contact us today to learn how we assist you with your export objectives.

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THE OVERSEAS SECURITY ADVISORY COUNCIL (OSAC) was created in 1985 under the Federal Advisory Committee Act to promote security cooperation between American private sector interests worldwide and the U.S. Department of State.

- OSAC promotes effective cooperation by working to assist the U.S. private sector to better anticipate security issues, including identifying and tracking threats, particularly those targeting private sector personnel, facilities, investments, interests, and intellectual property.
- Currently, approximately **4,500 constituent organizations** with over **10,000 representatives** participate in the program, including businesses, faith-based groups, academia, and other non-governmental organizations.
- OSAC has programs at **over 135 overseas locations**, bringing together the American embassy or consulate with the private sector security personnel in the region to share information about security issues of mutual concern as part of a local Country Council.







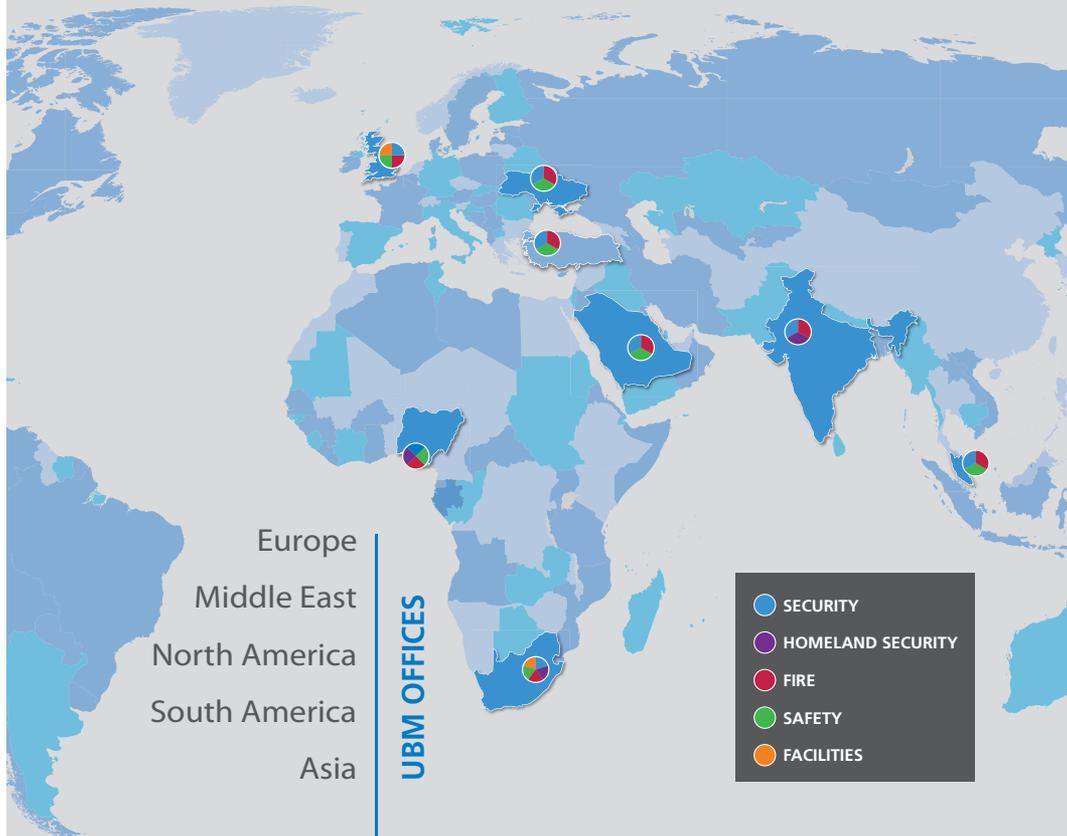
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