

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



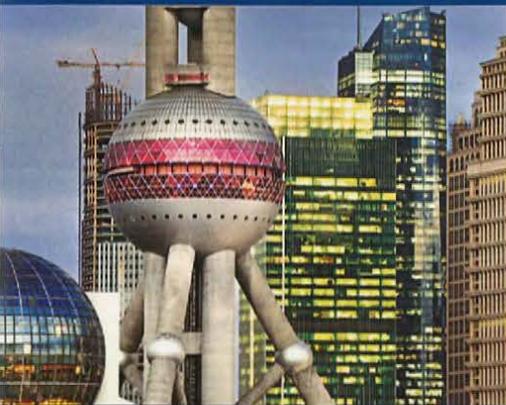
Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



2012



Annual Report Maine International Trade Center



MAINE
INTERNATIONAL
TRADE CENTER

Global Resources. Local Expertise.

MITC Members

Sustaining Roundtable Members

Atlantic Canada Opportunities Agency
Bangor Hydro Electric Company
BerryDunn
Canadian Consulate General - Boston
Eaton Peabody
Emera, Inc.
Fairchild Semiconductor
IDEXX Laboratories
Key Bank
Maine Department of Economic
& Community Development
TD Bank
Tex Tech Industries
Unum

President's Roundtable Members

Bangor International Airport
Bangor Savings Bank
Barber Foods, Inc.
BDN Maine
Cianbro
Delhaize Group - Hannaford Bros. Co.
Diversified Business Communications
Hardwood Products Co./
Puritan Medical Products
Hussey Seating Company
L.L.Bean, Inc.
Mainebiz
Maine Manufacturing Extension Partnership
Maine Maritime Academy
Maine Port Authority
Maine Technology Institute
Nomad Pictures
OCEANAIR Inc.
Oxford Networks
Pierce Atwood, LLP
Reed & Reed
Sappi Fine Paper North America
Sprague Energy Corporation
University of Maine

EXECUTIVE SUMMARY

Maine International Trade Center (MITC) was created by the state legislature in 1996 to expand Maine's economy through increased international trade in goods and services. A public-private partnership, MITC is funded through the Maine Department of Economic and Community Development and membership dues of nearly 300 businesses, as well as corporate sponsor contributions. MITC provides one-on-one, customized trade assistance throughout the state to help Maine businesses take advantage of the best opportunities in the global marketplace.

Trade assistance covers a broad range of areas including foreign import regulations, tariffs, logistics, sourcing, and research reports on best new markets. During 2012, our team of trade specialists and research interns responded to a record high of over 1,400 trade assistance requests from internationally-active, Maine-based manufacturers and service providers.

In order to offer global exposure to Maine's small and medium-sized businesses, MITC organizes group participation in trade missions to targeted markets and world-class industry trade shows. This year MITC led Maine companies on trade missions to growing markets in Canada and China and premiere international trade shows in the biotechnology and seafood sectors, which resulted in nearly \$20 million of projected sales.

In 2013, MITC will continue working to increase the number of Maine companies involved in international trade, expand the reach of those that are already internationally active, and leverage the synergy created during the past year to discover new opportunities for international student attraction and foreign investment in the state.

MAINE INTERNATIONAL TRADE CENTER STAFF

Janine Bisailon-Cary – *President and State Director of International Trade*

Wade Merritt – *Vice President*

Jeffrey Bennett – *Bangor Regional Office and Canada Desk Director, Senior Trade Specialist*

Patty Davis – *Accounting Manager*

Cheryl Rau – *Communications Manager*

Lucy Sommo – *International Trade Specialist*

Zeynep Turk – *Director of Development and Senior Trade Specialist*

Hannah Webb – *Trade Assistance Manager*



*Janine Bisailon-Cary
President and State Director
of International Trade*

PRESIDENT'S LETTER

Dear Friends and Members of the Maine International Trade Center,

This past year was one of the busiest ever – not only in terms of our work in Maine, but internationally. We executed six international trade shows and trade missions with 44 Maine companies participating. As you will see in this report, our reach was truly global with activities that spanned Canada, Asia, and Europe.

We are frequently asked to quantify the “return on investment” (ROI) for our trade and business development work. As this report shows, we measure ROI in terms of how many programs, events, or market research actions we executed, how many Maine businesses partici-

parted in our activities, and projected export sales captured as a result of these efforts. These numbers are impressive often showing 100 to 1 ratios in export dollars captured in sales versus dollars spent by companies (See MEPR/SBA grant program on Page 6). However, the most important measurable, not only for the vitality of MITC but the strength and growth of the Maine economy, is the growing number of companies participating in international trade activities here in the State of Maine.

The U.S. Dept. of Commerce indicates companies that export grow faster, pay higher wages, and are more profitable than those that do not. Exports are critical to manufacturers, representing 27 % of all employment in the manufacturing sector, and exports play a crucial role in productivity gains that increase standards of living. Although not as “measurable” since the federal government does not collect or report this information, exports are increasingly important for our service providers. At MITC, we are seeing more engineering firms, software companies, logistics companies, and law firms getting involved in international sales, transactions, and trade.

Our internationally active companies are not just the large-scale manufacturers in the state. In fact, 95% of Maine exporters are small and medium-sized enterprises and a majority of our members have less than 75 employees. As Maine builds a stronger presence in the global marketplace, we at MITC are honored to be a catalyst in the development of these international market opportunities.

Sincerely,
Janine Bisailon-Cary

Strategic Planning for the Future

Building on Traditional Areas of Focus	<ul style="list-style-type: none"> • Food and Beverage Products • Wood and Forest Products
Continuing Momentum on Emerging Sectors	<ul style="list-style-type: none"> • Biotechnology/Medical Products • Renewable Energy/Biomass • Advanced Materials
Seizing Opportunities through New Initiatives	<ul style="list-style-type: none"> • International Student Attraction • Foreign Direct Investment • Aerospace Initiative

- A.N. Deringer, Inc.
- Albatrans, Inc.
- Artel, Inc.
- Atlantica Group, LLC
- Auburn Manufacturing, Inc.
- Baker Company, Inc.
- Baker, Newman & Noyes
- Bernstein, Shur, Sawyer & Nelson
- Bigelow Laboratory for Ocean Sciences
- BioProcessing, Inc.
- Calendar Islands Maine Lobster Company
- Capricorn Products, Inc.
- CIEE: Council on International Educational Exchange
- Cozy Harbor Seafood, Inc.
- DennyMike's 'Cue Stuff, Inc.
- Diversified Business Communications
- Drummond, Woodsum & MacMahon
- Elmet Technologies
- EnviroLogix Inc.
- Falcon Performance Footwear
- Fluid Imaging Technologies
- GAC Chemical Corporation
- Galt Block Warehouse Co., Inc.
- Greenhead Lobster
- Hancock Lumber Company
- Hardwood Products Co./Puritan Medical
- Hydro International
- iMoon Exhibition Management LLC
- Insulsafe Textiles, Inc.
- James W. Sewall Company
- Jasper Wyman & Son / Wyman's of Maine
- Katahdin Forest Products Co., Inc.
- Kenway Corporation
- LaBree's Bakery
- LaCasse & Weston, Inc.
- Lee International Business Development, LLC

TRADE ASSISTANCE

Providing one-on-one customized consulting and research assistance to Maine businesses is one of the primary ways that Maine International Trade Center (MITC) fulfills our mission to expand the state's economy through increased international trade. Our team of trade specialists and research assistants respond to over 1,200 requests each year from internationally-active, Maine-based manufacturers and service providers. Trade assistance covers a broad range of areas including foreign import regulations, tariffs, logistics, sourcing, and research reports on best new markets.



MITC is committed to delivering up-to-date, quality information from trusted sources, as well as practical advice from first-hand experience. Our trade specialists and trade assistance team have lived, studied or worked abroad and are fluent in several languages including French, German, Italian, and Turkish. In addition, each trade specialist develops industry-specific expertise, allowing MITC to work closely with and remain on top of the latest trends in all of Maine's key industry areas from pulp and paper to biotechnology and seafood to aerospace.

As Maine's long-standing top trading partner, Canada also receives special emphasis at MITC. Our Canada Desk offers a depth of trade experience and well-developed network of counterparts across the border to assist Maine companies interested in beginning to export or grow existing exports to Canada.

PROGRAMS & NETWORKING EVENTS

During the year, MITC hosts an average of 10 trade education programs and networking events. With over 600 attendees annually, our education programs feature engaging expert speakers from industry, government, and academia. The addition of a new video conferencing system at our Portland office means that we have broader options for expert speakers, regardless of where they are based in the world, to talk directly to our attendees while keeping costs down.



In order to serve the greatest number of Maine businesses, MITC delivers education programs in the Northern, Central, and Southern Maine regions throughout the year. We also intentionally vary the program length, day of the week, and time of day. When possible, we partner with other government, economic development, and academic organizations to co-host seminars and workshops on topics of common interest to our diverse audiences.

Using feedback from program evaluations, surveys, and trends in trade assistance requests, we develop original programs to address current topics of importance and highest need for Maine businesses. This year's program topics included future implications of increased cross-border economic integration between the US and Canada, a China-focused economic and trade resources overview, and a broad-based review of various international payment methods and the advantages and disadvantages of each.

According to MITC members, opportunities to connect with other internationally-active Maine companies are valuable. Therefore, we also host 2-3 networking events each year to provide an informal atmosphere where stories of international challenges and successes can be shared and new potential partnerships discovered. Our annual member appreciation and holiday receptions this year both had record high attendance.

MAINE INTERNATIONAL TRADE DAY

In May, MITC held the 32nd annual Maine International Trade Day at the Samoset Resort in Rockport. The theme for this year's conference was "Better by Design: Innovation for Global Markets." The one-day event included a morning speaker and panel session, networking reception, awards luncheon, and afternoon breakout sessions.



Our featured speakers were Sandro Valeri, Senior Manager for Innovation Management at Embraer S.A., and Dr. Cesar A. Hidalgo, Professor at The Media Lab, Massachusetts Institute of Technology (MIT).



During the luncheon with nearly 300 attendees, MITC's annual International Trade & Investment Awards were presented as follows:

- Exporter of the Year – Hancock Lumber
- Service Provider of the Year – Bernstein Shur
- Innovator of the Year – Falcon Performance Footwear
- Foreign Direct Investor of the Year – Mölnlycke Health Care

- Lighthouse Imaging Corporation
- Maine Lobster Promotion Council
- Maine Manufacturing LLC
- Maine Maritime Academy
- Maine Technology Institute
- Mathews Brothers Company
- Nextep, Inc.
- Norman, Hanson & DeTroy, LLC
- North Country Wind Bells, Inc.
- People's United Bank
- Pineland Farms
- Planet Dog
- Planson International
- Preti Flaherty Beliveau & Pachios, LLP
- Rainwise, Inc.
- Ready Seafood
- Reed & Reed, Inc.
- Robbins Lumber, Inc.
- Rynel, Inc.
- Savage Safe Handling, Inc.
- Scythe Supply
- Sea Bags
- Shipyard Brewing Company
- Soleras Ltd.
- Stonewall Kitchen
- Strainrite Companies/
Lapoint Industries
- Tempshield, Inc.
- Thos. Moser Cabinetmakers
- Tilson
- Timber Resource Group
- Tomah Water, LLC
- University of Maine
- University of Southern Maine
- Volk Packaging Corporation
- Walsh Transportation Group, Inc.
- Woodex Bearing Company, Inc.
- Woodland Pulp, LLC
- Worldwide Risk Management, Inc.
- Xuron Corp.
- Yale Cordage, Inc.

TRADE MISSIONS

Trade Missions provide unique networking environments and exceptional opportunities for face-to-face meetings that match participants with pre-qualified potential foreign trade partners. Trade missions provide valuable connections and guidance for first-time exporters or companies that are having difficulty entering a particular region or market. Each year, MITC organizes one large multi-sector trade mission, often led by the Governor, as well as smaller industry-specific trade missions.



China Trade Mission

"The meetings exceeded my expectations. I met with qualified sales prospects who were genuinely interested in my products. The vetting was done for me in advance, the company backgrounds and profiles were all researched for me, and the Gold Key matchmaking got me in front of the right people."

*Kevin Khovananth,
Artel, Inc., Westbrook*

"Our first day in Hong Kong has been packed with five very productive meetings. To our surprise these companies were already familiar with our products and most were interested in exploring a mutual business relationship."

Tom Yale, Yale Cordage, Inc., Saco

MITC arranges most details of the trips including transportation, translators, group functions, and pre-qualified business matchmaking meetings. MITC has a strong relationship with the U.S. Dept. of Commerce's Commercial Service, many American Chambers of Commerce located abroad, the U.S. Foreign Agricultural Service, and other in-country trade organizations.

In September 2012, MITC coordinated the State of Maine Trade Mission to China, led by Governor Paul LePage. The delegation of 14 businesses, universities, and industry associations visited Hong Kong and Shanghai. A total of 77 business matchmaking meetings were held, resulting in an estimated \$2.5 million in sales over the next 12 months. Additionally, approximately 500 people attended special networking events to promote the Maine lobster and blueberry industries, educational institutions, and the State as an attractive location for North American investment.

MITC also coordinated two smaller trade missions to Canada. In June, the Advanced Materials Trade Mission to Quebec included representatives from Maine businesses, an economic development agency, and the Maine Composites Alliance. Participants had the opportunity to meet with pre-qualified potential clients, tour one of Canada's premier composites companies, and learn about composites R&D conducted across the border. Industry representatives participated in 25 matchmaking meetings and reported \$4.28 million in projected sales. In conjunction with the Toronto Gift Show in August, MITC led a group of four Maine companies on a trade mission that included business matchmaking meetings and an opportunity for representatives in the consumer goods industry to visit the Toronto Gift Show to walk the show floor, talk with potential distributors, and meet with show organizers to discuss future exhibiting opportunities.

2012 CHINA TRADE MISSION:

- 500 attendees at special promotional events
- 77 business matchmaking meetings held
- \$2.5 million in projected sales over the next 12 months



TRADE SHOWS

In addition to trade missions, MITC coordinates participation at several industry specific international trade shows. Through organizing joint participation and shared booth space, we offer a cost-effective opportunity to small- and medium-sized companies to gain exposure at leading trade shows in their industry. MITC also provides participating companies with valuable guidance on how to make the most of the exhibition experience before, during, and after the show.

European Seafood Exposition

"The first 2 days were very busy and we met many more contacts than expected... We were also able to use our booth as a meeting hub for existing customers to strengthen relationships... It was great exhibiting together with MITC as it relieved much of the possible headaches... and saved us a tremendous amount of time so we could focus on meeting new contacts."

Brendan Ready, Ready Seafood, Portland

During 2012, MITC coordinated participation for Maine companies in two international trade shows. In April, MITC organized a booth with three Maine seafood processors at the European Seafood Exposition, the world's largest seafood show that attracts top buyers from over 140 countries, in Brussels, Belgium. For the seventh consecutive year, MITC participated in the "Best of New England" booth at MEDICA 2012 in Düsseldorf, Germany. Two companies representing Maine's growing biotechnology and medical devices sector had the opportunity to exhibit at this year's show, which draws 137,000 visitors from 100 countries.

2012 TRADE SHOWS:

- 5 Maine companies
- \$2.2 million in projected export sales
- Exposure to over 200 country markets



2012 MITC Trade Mission and Trade Show Participants:

Advance Electronic Concepts (Portland)
Artel, Inc. (Westbrook)
Atlantic Kingdom Seafood (Bangor)
Baker Company, Inc. (Sanford)
Capricorn Products (Portland)
Custom Composites (Bath)
Fairchild Semiconductor (South Portland)
Greenhead Lobster (Stonington)
IDEXX (Westbrook)
Kenway Corporation (Augusta)
Lighthouse Imaging Corporation (Portland)
Maine Composites Alliance (Portland)
Maine Regional Redevelopment Authority (Brunswick)
Maine Seafood Ventures (Portland)
Maine SBDC at CEI (Bangor)
Maine Wild Blueberry Commission (Orono)
Maine Wind Industry Initiative (Portland)
Manufacturers Assoc. of Maine (Westbrook)
North Country Wind Bells, Inc. (Round Pond)
Pepin Associates, Inc. (Greenville)
Pleasant River Lumber (Dover-Foxcroft)
Ready Seafood (Portland)
Sea Bags, Inc. (Portland)
Southern Maine Community College (South Portland)
Tex Tech Industries (North Monmouth)
Thornton Academy (Saco)
Thos. Moser Cabinetmakers (Auburn)
University of Maine (Orono)
University of Maine at Farmington (Farmington)
USA Lifestyles/Saddleback Maine (Rangeley)
Yale Cordage, Inc. (Saco)

STUDYMAINE



International students contributed over \$40 million to Maine's economy last year, and international student attraction is a growing economic segment for the state. MITC's StudyMaine consortium was created in 2010 to proactively market Maine's educational institutions to potential students and their families worldwide. Mem-

bers include high schools, colleges, and universities across the state. MITC holds at least one StudyMaine educational program each year to inform Maine's educational institutions about best practices and trends for international student attraction.



StudyMaine



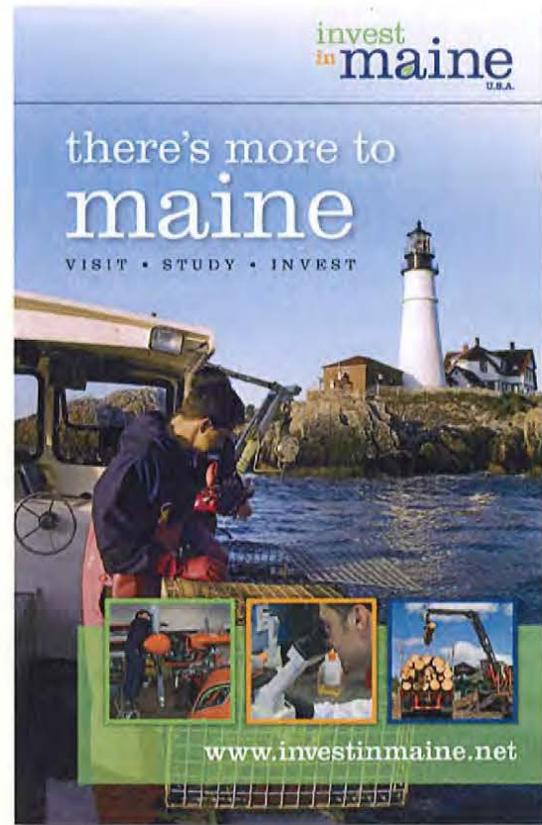
The primary means of promotion for StudyMaine is through an interactive web portal – StudyMaine.net – that includes a directory for member schools to showcase their academic and extracurricular programs. MITC drives traffic to the website through our affiliation with StudyUSA.org, production of printed materials in several languages, and social media advertising.

Education was a key sector for the State of Maine Trade Mission to China in 2012. Governor Paul LePage and representatives of two universities participated in formal meetings with senior management of Hong Kong Baptist University and East China Normal University to discuss exchange and joint degree programs. At a special event in Shanghai, the three educational institutions on the trade mission had the opportunity to speak before a group of study abroad and EB-5 investment agents. There is significant crossover potential for international student attraction and inward investment – for example, through leveraging alumni and family networks - that MITC is now positioned to pursue.

INVEST IN MAINE

Maine's dedicated and skilled workforce, abundant natural resources, and creative entrepreneurship are key selling points in promoting the state to potential investors around the globe. Supported and funded in part through Maine Technology Institute, MITC's Invest in Maine program is designed to increase the flow of foreign direct investment (FDI) dollars into Maine to finance growing companies and new business ventures that will in turn create jobs and support economic growth. During 2012, the Invest in Maine program has coordinated 39 overseas meetings with foreign investors throughout Europe and Asia, presented at 8 special industry and investor events during the State of Maine Trade Mission to China and Quebec Trade Mission, and hosted 6 investor-company visits in Maine.

In February, the Invest in Maine website (www.investinmaine.net) was launched. The website promotes Maine's advantages, highlights key industry sectors, and outlines investment incentive programs in a globally accessible, 24/7 format. MITC also developed a printed brochure that can be used in face-to-face meetings to drive interested investors to the website. In addition, a new video titled "Visit-Study-Invest" was produced and premiered during the State of Maine Trade Mission to China and is featured on the new website.



MITC has been actively promoting Maine's aerospace industry and in-state assets internationally during the past year. In a collaborative effort with Vermont trade organizations, MITC's Invest in Maine and Tex Tech Industries exhibited in the Farnborough Air Show held in July in Hampshire, UK. In November, Invest in Maine staff traveled to Asia to attend Airshow China 2012 in Zhuhai and meet with representatives of Japan's aerospace industry. MITC is currently producing a Maine Aerospace Directory which will be a valuable tool to further advance this effort.

invest
in maine
U.S.A.

INVEST IN MAINE 2012:

- 39 Overseas Meetings
- 8 International Investor Events
- 6 Investor Company Visits

LEGISLATIVE & PUBLIC POLICY OUTREACH

According to our organization's charter, MITC has a responsibility to educate the public and policy makers about international trade's importance to Maine businesses and value to Maine's economy. In January, MITC convened Legislative Roundtable Sessions for state legislators in Bangor and Topsham. These sessions provided an informal opportunity for internationally-active businesses and MITC staff and board members to meet face-to-face with local legislators and discuss the value of international trade to Maine's economy, the role of trade in job creation, and the challenges Maine businesses face in competing in the global market. MITC also remained an active member of the Maine Citizens Trade Policy Commission (MCTPC).



MEPR/SBA GRANT PROGRAM



Funded in part through a grant award with the U.S. Small Business Administration.

In 2011-2012, MITC secured \$146,000 of federal funding from the U.S. Small Business Administration through the State Trade & Export Promotion (STEP) program. As a result, MITC created the Maine Export Promotion Reimbursement (MEPR) program which offers financial reimbursement to Maine small and medium-sized businesses seeking to enter new international markets. Funding can be used toward expenses for business-to-business matchmaking and trade show participation. From October 2011 to September 2012, a total of 40 Maine companies had participated in the program, which supported over 150 business matchmaking meetings and resulted in forecasted sales of \$15 million. Thus, the return on investment was substantial, at approximately \$100 of new sales for each \$1 accessed from the program.

CHAMPION AWARD

In September 2012, Maine Development Foundation presented the *Champion Award for Attraction, Retention, and Engagement of New Populations* to Maine International Trade Center. All of us at MITC were honored to receive the award on behalf of our Board, sponsors, members, and partner organizations who make our work possible.



2012 STATISTICS

Export Markets

	ANNUAL 2011	OCT 2011 YTD	OCT 2012 YTD	% change 2011- 2012
TOTAL ALL PARTNER COUNTRIES	\$3,420,593,567	\$2,949,971,792	\$2,645,687,209	-10.31%
Canada	\$1,128,564,135	\$965,022,079	\$1,144,409,394	18.59%
Malaysia	\$926,780,946	\$837,619,683	\$449,482,949	-46.34%
China	\$274,607,338	\$230,014,610	\$210,571,856	-8.45%
Japan	\$108,247,785	\$86,003,709	\$101,103,200	17.56%
Korea, Republic Of	\$126,915,180	\$114,148,552	\$66,107,624	-42.09%
Belgium	\$60,570,735	\$54,869,148	\$59,196,012	7.89%
Turkey	\$44,447,780	\$39,117,669	\$50,697,566	29.60%
United Kingdom	\$82,469,710	\$69,977,220	\$49,256,254	-29.61%
Netherlands	\$91,974,919	\$80,745,782	\$48,514,426	-39.92%
Singapore	\$82,535,872	\$63,858,142	\$43,134,868	-32.45%

Export Commodities

	ANNUAL 2011	OCT 2011 YTD	OCT 2012 YTD	% change 2011- 2012
TOTAL ALL COMMODITIES	\$3,420,593,567	\$2,949,971,792	\$2,645,687,209	-10.31%
Electric Machinery Etc.; Sound Equip; TV Equip; Pts	\$995,497,952	\$897,788,069	\$591,890,745	-34.07%
Paper & Paperboard & Articles (Inc Papr Pulp Artl)	\$406,136,720	\$342,075,282	\$337,696,206	-1.28%
Fish, Crustaceans & Aquatic Invertebrates	\$302,940,410	\$259,095,847	\$285,128,060	10.05%
Wood Pulp Etc.; Recovd (Waste & Scrap) Ppr & Pprbd	\$297,588,936	\$254,934,870	\$220,779,015	-13.40%
Aircraft, Spacecraft, and Parts Thereof	\$267,449,669	\$215,006,372	\$210,922,783	-1.90%
Wood and Articles of Wood; Wood Charcoal	\$206,006,046	\$170,892,575	\$194,233,409	13.66%
Industrial Machinery, Including Computers	\$126,159,844	\$105,095,713	\$121,575,318	15.68%
Vehicles, Except Railway or Tramway, and Parts Etc.	\$75,553,101	\$64,177,299	\$77,087,940	20.12%
Optic, Photo Etc., Medic or Surgical Instrmnts Etc.	\$71,360,543	\$57,185,274	\$55,778,295	-2.46%
Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax	\$67,755,073	\$55,315,509	\$52,444,295	-5.19%

FY2012 Benchmarks

	FY2010	FY2011	FY2012
Programs			
Number of Programs	13	15	12
Total number of attendees	612	677	648
Membership			
Number of members	284	278	297
Research/Consulting			
Total number of inquiries	1288	1228	1496
Trade Missions and Shows			
Number of trade missions and shows	3	3	6
Number of participants in trade missions and shows	24	12	44
Total dollars in reported sales	\$23.75m	\$1.8m*	\$21.53m

NOTE: MITC follows the State of Maine fiscal year, which begins on July 1 and ends on June 30. * No gubernatorial trade mission in FY2011

World Map of Maine's Global Trading Partners



Contact the Maine International Trade Center



Phone: 207.541.7400
E-mail: info@mitc.com
Website: www.mitc.com

Portland

Maine International Trade Center, Portland Headquarters
511 Congress Street, Suite 100, Portland, ME 04101

Bangor

Maine International Trade Center, Bangor Regional Office
Target Technology Center, 20 Godfrey Drive, Orono, ME 04473



MAINE INTERNATIONAL TRADE CENTER
Global Resources. Local Expertise.