

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>

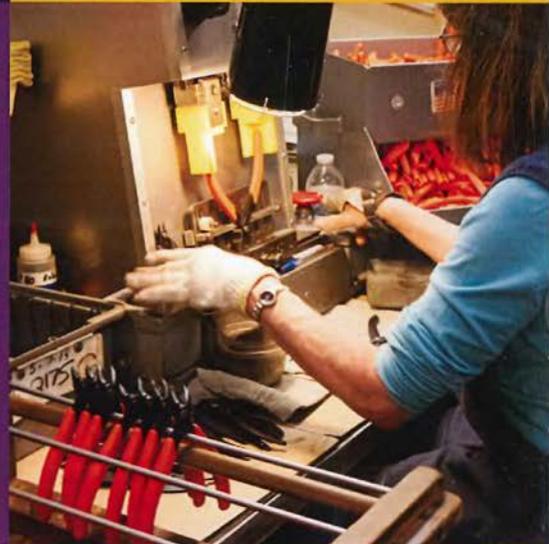


Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

2013



Annual Report



MAINE
INTERNATIONAL
TRADE CENTER

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 and organizations as well as corporate sponsor contributions.

In 2013, MITC worked to increase the number of Maine companies involved in international trade, expand the reach of those that are already active, and leverage the synergy created during the past year to discover new opportunities for international student attraction and foreign investment. This report describes MITC's efforts and results in support of our mission.

With record-high trade assistance requests and attendance at programs and events, 2013 was a very busy year for the MITC team. In March, the start of biweekly cargo service to the Port of Portland offered Maine manufacturers more options for exporting/importing. MITC continues to work closely with Icelandic shipping company Eimskip to establish connections with Icelandic businesses and Northern European trade groups as well as research opportunities and potential in these markets. In December, MITC announced the establishment of the Maine North Atlantic Development Office (MENADO), which will focus on trade and resource development efforts in the North Atlantic.



Photos on front cover:

Top - Stonewall Kitchen (York)

Right - Xuron Corp. (Saco)

Bottom - Kenway Corporation
(Augusta)

Left - Bigelow Laboratory
for Ocean Sciences
(East Boothbay Harbor)

2013 Highlights

\$12.2 million
in projected sales for
18 participants in
3 trade shows and
1 trade mission

1,603
trade assistance
consulting/research
requests delivered

889 attendees
at **18** education programs
and events

Overall ROI
of 100:1 on
export assistance grants
with over
\$17 million
in reported sales

Board of Directors

Chair: Christopher H. Paradis
Central Maine Community College

Vice Chair: John Wolanski
GAC Chemical Corporation

Treasurer: Joseph Mooney, TD Bank

Secretary: Kathleen Robinson, L.L.Bean
Kathy Billings, Bangor Hydro Electric Co.
Janine Bisailon-Cary, Maine International Trade Center

Don Maier, Maine Maritime Academy

Dennis Leiner, Lighthouse Imaging

Kelly L'Heureux, OCEANAIR

Kent Peterson, Fluid Imaging Technologies

Susan Scully, IDEXX Laboratories

Carl Spang, Falcon Performance Footwear

Advisory Directors

Marilyn Geroux, U.S. Small Business Administration

George Gervais, Maine Department of Economic & Community Development

Jeffrey W. Porter, U.S. Dept. of Commerce

Muriel Mosher, Maine Manufacturing Extension Partnership

MITC Staff

Janine Bisailon-Cary, President,
State Director of International Trade

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

Patty Davis, Accounting Manager

Wade Merritt, Vice President

Cheryl Rau, Communications Manager

Lucy Sommo, International Trade Specialist

Zeynep Turk, Director of Development,
Senior Trade Specialist

Hannah Webb, Trade Assistance Manager

PRESIDENT'S LETTER



Dear Friends and Members of Maine International Trade Center,

Preparing the Annual Report is always an important exercise for us in assessing how we are doing in providing trade assistance and measuring the effectiveness of our efforts in export sales development. We knew that 2013 was going to be a record one in terms of the numbers of companies and individuals served.

The phone calls and emails just never stopped. Fortunately, two new trade specialists joined our staff in recent years. Hannah Webb and Lucy Sommo have been tireless in their outreach to Maine companies to develop relationships in the boat building, composites, aerospace, and precision machining sectors, all of which are growing in their international market development.

With over 220 companies involved and a growing number of foreign companies investing in Maine's in life science sector, we believe that the biotech, marine science, veterinary and medical products sectors will continue to flourish and grow in the years to come. In cooperation with the Bioscience Association of Maine, we are compiling a Maine Life Science Directory to serve as an integral tool for our "Invest in Maine" foreign direct investment program. This year, Zeynep Turk connected with more life science companies in the state and brought four Maine companies to the MEDICA 2013 trade show.

Jeff Bennett continues to develop international trade leads and sales opportunities for Maine's growing food, beverage, and seafood exporters. For the first time, MITC coordinated a Maine booth at the Winter Fancy Food Show in San Francisco, offering companies opportunities to hold one-on-one meetings with international buyers, as well as connect with West Coast retailers, distributors, and hotel/restaurant sectors.

In addition to managing day-to-day operations, Wade Merritt has been supervising the SBA Export Grant program in tandem with our accounting expert Patty Davis. This program has been hugely successful at helping small businesses develop international markets- providing funds to more than 30 Maine companies reporting over \$17 million in export sales in the 2012-13 grant year. Wade worked with Cheryl Rau to oversee the complete redesign of the website for our StudyMaine program. The new StudyMaine.net site, launched in September, provides a better showcase for Maine's educational institutions which are becoming increasingly active in participation in MITC overseas programs for international student attraction.

In December, we announced the creation of the Maine North Atlantic Development Office, a new initiative which aspires to grow trade and investment, as well as cultural and tourism relations, with our Northern European, Eastern Canadian, and Arctic neighbors. As this office gets up and running in 2014, we are preparing for exciting developments for Maine to follow!

Sincerely,

Janine Bisailon-Cary, President

TRADE ASSISTANCE

One of the primary ways that Maine International Trade Center (MITC) fulfills our mission to expand the state's economy through increased international trade is providing one-on-one research assistance and consulting to Maine businesses. Our team of Trade Specialists and Research Assistants responded to a record 1,603 requests this year from 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.

Trade assistance is supported by the entire MITC team's international experience, network, and research skills. Trade Specialists have expertise in a broad range of industry sectors, such as aerospace, boat building, biotechnology, food, and wood products. Research Assistants, part of our Future Global Leaders internship program, gather information and produce reports on market trends, trade flow, cultural customs, qualified trade leads, and regulations for specific countries.



1,603

trade assistance
consulting/research
requests delivered

“As a small Maine company, we used MITC’s research team to find specific information on international markets and trade leads that we simply didn’t have the expertise or staff to conduct ourselves. The focused report they prepared allowed our newly expanded International Sales team to hit the ground running.”

- Sonia Turanski,
Marketing & Communications Manager,
RainWise Inc., Bar Harbor

Trade Assistance Requests

MITC Members: **57%**

Non-Members: **43%**

Top 5 Topics

- Best Markets, Market Trends, Market Updates
- Documentation & Certification
- Logistics
- Trade Leads
- Business Culture

Top 5 Countries

- Canada
- China
- EU (Germany, United Kingdom)
- Mexico
- Japan

TRADE EDUCATION PROGRAMS & NETWORKING EVENTS

Sustaining Roundtable Members

Atlantic Canada Opportunities Agency
Bangor Hydro Electric Company
BerryDunn
Canadian Consulate General - Boston
Eaton Peabody
Eimskip
Emera, Inc.
Fairchild Semiconductor
IDEXX Laboratories
Key Bank
Maine Department of Economic & Community Development
Maine Lobster Promotion Council
Midcoast Regional Redevelopment Authority
Oxford Networks
TD Bank
Tex Tech Industries
Unum

MITC conducts or co-hosts an average of 12 trade education programs during the year; however, 2013



was a record year with 18 programs and events and 889 attendees. These programs range from one-hour market briefings or lunch and learn sessions to one-day conferences that feature keynote speakers and panel sessions. In order to serve the broadest number of Maine businesses, MITC delivers education programs throughout the state, and we partner with other government, economic development, and academic organizations to co-host seminars on topics of common interest whenever possible.

We develop original programs to address current topics of importance and highest need for Maine businesses based on feedback from program evaluations, surveys, and trends in trade assistance requests.

This year's program topics included market research and lead generation; market briefings for Colombia, Mexico, and Panama; and the International Trade 101 basic primer. In 2013, we conducted our first multi-site program connecting Portland and Orono using video conferencing and implemented online post-program evaluations.



MITC members value opportunities to connect with other internationally-active Maine companies. Again this year, our annual member appreciation and holiday receptions were very well attended. These networking events provide an informal atmosphere to share stories of challenges and successes, as well as discover new potential partnerships.

889
attendees at
18 education programs
and events

TRADE DAY 2013

Our 33rd annual Maine International Trade Day on May 31, 2013 set a new record with over 340 people attending the one-day conference held at the Marriott at Sable Oaks in South Portland.



The theme for this year's conference was "Marketing Near & Far." The event included a morning plenary session, networking reception, awards luncheon, and afternoon logistics overview session.



Our morning keynote presenter was Dr. John Quelch from Harvard Business School. The luncheon keynote speaker was Icelandic President Ólafur Ragnar Grímsson.

MITC's annual International Trade & Investment Awards were presented by Governor Paul LePage as follows:

Exporter of the Year - EnviroLogix, Inc. (Portland)

Innovator of the Year - Bigelow Laboratory for Ocean Sciences (East Boothbay Harbor)

Service Provider of the Year -
TD Bank (statewide) *pictured at right*

Foreign Direct Investor of the Year -
Emera, Inc. (Halifax, NS)

Future Global Leader Award -
Abby McCloskey (Bangor)

President's Award - Annette Bossler (Bremen)



Thank you to all of our sponsors, speakers, award winners, and attendees who made this our best Trade Day ever!

President's Roundtable Members

Bangor International Airport
Bangor Savings Bank
Bank of America Merrill Lynch
Barber Foods, Inc.
BDN Maine
Bernstein Shur
Burgess Advertising & Marketing
Cianbro
Diversified Business Communications
Finance Authority of Maine
Hardwood Products Co./
Puritan Medical Products
Hussey Seating Company
L.L.Bean, Inc.
Mainebiz
Maine Center for Creativity
Maine Manufacturing Extension Partnership
Maine Maritime Academy
Maine Port Authority
Maine Technology Institute
Nomad Pictures
OCEANAIR Inc.
Pierce Atwood, LLP
Sappi Fine Paper North America
Sprague Energy Corporation
UK Trade & Investment
University of Maine
UPS
Verrill Dana, LLP
Woodland Pulp, LLC

MEMBER SUCCESS STORIES

GAC Chemical Corporation

Already known as a worldwide leading bulk producer of high purity ammonium sulfate, a chemical used in the food, pharmaceutical, and water treatment industries, at this point international trade represents only 5% of GAC's total sales.

"I'd like to see that international sales number double to 10% in the next year or so," David Colter, President and CEO, commented. "And by 5 years out, the goal is 20%. That's why we joined MITC."

According to John Wolanski, Vice President of Sales & Marketing, a key growth opportunity for GAC lies in providing toll processing/contract manufacturing of chemicals – like a private label – for other companies located around the world. In 2013, this strategy came to fruition when the company signed a contract with Dalegip America Inc., a leading manufacturer of industrial pigment products for the paper industry located in Mexico.



will lead to additional products for GAC, it will also create a ripple effect for other Maine businesses and educational institutions."

According to Wolanski, during the recent State of Maine Trade Mission to Mexico & Colombia, Governor Paul LePage introduced GAC as "Maine's chemical company" and spoke of the importance of the GAC-Dalegip project in making Maine's pulp and paper industry more competitive in the global market. This contract represents Maine's first foreign direct investment from Mexico. Discussions are now underway at MITC to organize a Mexican delegation visit to Maine in 2014 to develop additional trade and investment opportunities.

GAC Chemical Corporation is a chemical manufacturer and distributor located in Searsport with 60 employees. Primary markets for GAC products include: pulp and paper, power plant, industrial manufacturing, food, agriculture, potable municipal water, and waste water. This year, GAC entered a joint venture with Mexico-based Dalegip America Inc. to construct a new processing plant, adding 12 to 20 new jobs, and opening up new potential global markets. The company has been a MITC Member since 2011.

With construction of the new chemical reactor plant at the Searsport facility completed in December, a team of Dalegip engineers were in Maine to begin operations and train GAC employees. Within the next year, this project will create between 12 and 20 new jobs at GAC, based on product demand.

"We view this contract as an investment in a long-term partnership," Wolanski explained. "While we believe this

Hydro International

According to Hydro Americas President, Stephen Hides, our attitudes toward water need to change and are beginning to. He sees the international community waking up to the need to address water quality problems and looking to the U.S. for best practices.

"Today everyone is familiar with the concept of 'environmental footprint'," Hides said. "But we're just starting to talk about the 'water footprint' of products and lifestyle choices."

Increasing global recognition of the importance and value of water means Hydro International is well-placed for growth in the future. The Maine office's focus is the market for the company's stormwater products, both domestically and in Central and South America. While the primary purpose of the Maine office is to serve the US market, a growing portion of its business is international.

"MITC has provided valuable assistance and advice on many occasions and helped Hydro evaluate market opportunities in several countries including Brazil, Japan, and Mexico," Hydes commented.

Hydro International has established business partners in Australia, New Zealand, Korea, and Mexico. As a result of participation in the State of Maine Trade Mission to Chile & Brazil in 2011, the company won their first contract in Sao Paulo, Brazil for The Downstream Defender® product, which was installed in the LEED® (Leadership in Energy and Environmental Design) certified Eldorado Towers project in 2012. To date, an additional 20 sales have been made in Brazil.



In December 2013, a ground-breaking drainage project, designed and built by Soluciones Hidropluviales of Mexico City using stormwater treatment technologies from Hydro International, was completed in downtown Monterrey, the third biggest city in Mexico with a population of 4 million. The project pioneered the use of stormwater treatment technologies in combination with stormwater storage to recycle rainwater in an arid region of the country where water scarcity is becoming an increasing problem caused by over-extraction from underground aquifers.

Hydro International is a global leader in sustainable technologies for stormwater control and wastewater treatment. With headquarters in the UK, the company also has offices in Portland, Oregon, as well as here in Portland, Maine. Of the 130 employees, 25 work in the Maine office. Hydro International has been a MITC Member since 2004.

TRADE MISSION

The State of Maine Trade Mission to Mexico & Colombia on October 27 - November 2 was Governor Paul LePage's second trade mission and the first Maine gubernatorial visit to Colombia. The delegation included a total of eight companies, educational institutions, and industry associations. The companies held a total of 57 business matchmaking meetings with potential agents, distributors, and partners. Nearly \$5 million in projected sales in the next 12 months were reported. The State of Maine Reception in Mexico City attracted over 100 attendees from business, government, and academia, while the State of Maine Luncheon in Bogota featured 75 mostly business attendees.

Governor LePage and representatives of the three educational institutions participated in two promotional programs hosted by Education USA and attended by parents and students actively interested in studying in the United States. In addition, Governor LePage met with the Ministry of Education in Colombia to discuss opportunities for exchanges and English education.



8
participating
organizations

57
business
matchmaking
meetings

\$5 million
in projected
sales



“Having quality meetings set up in advance saved our company multiple visits to trade shows in Mexico, and having an interpreter on hand made all the difference. This was my first trade mission, and I will be looking forward to others.”

- Angela Gillespie, International Sales Manager, Shively Labs, Bridgton

TRADE SHOWS

MITC coordinates participation at major industry trade shows that provide exposure to international distributors and buyers. We offer a cost-effective opportunity to small- and medium-sized companies through group participation and shared booth space. MITC also works with participating companies on how to make the most of the exhibition experience before, during, and after the show. During 2013, MITC coordinated participation for Maine companies in three trade shows.

In January, for the first time MITC organized a booth showcasing four Maine companies at the Winter Fancy Food Show in San Francisco, CA. Since 1955, the Fancy Food Shows have been North America's largest specialty food and beverage marketplace. In addition to the trade show, the companies had one-on-one appointments with some of the industry's most important distributors, retailers and foodservice buyers from Canada, Hong Kong, Japan, Singapore, Europe, Mexico, South Korea, and the United Kingdom.

The seafood industry continues to be one of Maine's strongest export sectors. For the second year, MITC organized a booth at the European Seafood Exposition, the world's largest seafood show that attracts top buyers from over 140 countries, in Brussels, Belgium in April. This year's booth featured two Maine lobster processors, as well as the Maine Lobster Council.



For the eighth consecutive year, MITC participated in the "Best of New England" booth at MEDICA 2013, which draws 137,000 visitors from 100 countries, in Düsseldorf, Germany in November. Four companies representing Maine's growing life sciences sector exhibited this year.

"The Baker Company probably would not have participated in MEDICA without the SBA STEP grant. I felt that the coordination of the program through all of the states that participated in the Best of New England booth was very well organized. MITC also did a great job setting up and was very helpful in organizing the travel and pitching in to help manage the traffic in the booth."

- Jim Hynes, Vice President of Sales,
Baker Company Inc., Sanford (MEDICA 2013)

3
trade
shows

10
participating
organizations

\$63 million
in projected
sales

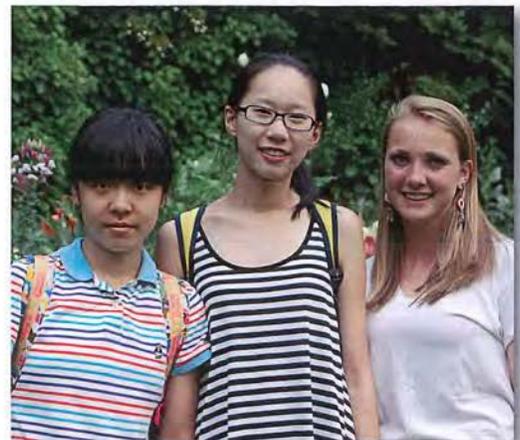
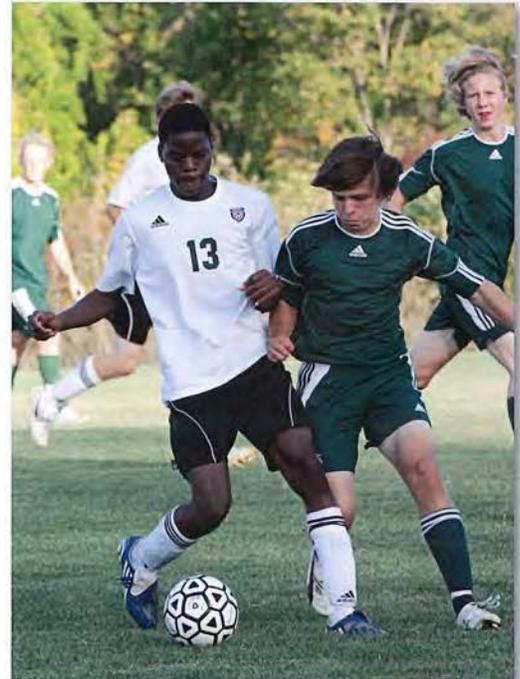
STUDYMAINE

Now in its fourth year, StudyMaine continues to promote Maine's internationally active institutions to the global market. Over 1,400 international students were enrolled at Maine's colleges, with at least that many more studying at the high school level this year. Those students contributed nearly \$50 million to the state's economy.

In 2013, a new and improved website (StudyMaine.net) was launched through a partnership with the Maine Office of Tourism, three member schools participated in the State of Maine Trade Mission to Mexico & Colombia; and the annual education-focused program connected the summer camp community with educational institutions to encourage greater cooperation in international recruitment. In addition, the StudyMaine initiative was recognized by the Maine Development Foundation as part of the strategy for expanding the state's workforce in the Making Maine Work report released late in the year.



StudyMaine



To learn what
Maine schools have
to offer, view our
school profiles now.



HIGH SCHOOLS

Maine high schools will prepare you to succeed in the top American universities.



**SPECIALIZED OR
SUMMER PROGRAMS**

Explore a different path or enjoy a glorious Maine summer where learning is year round.



COLLEGES

Maine colleges and universities offer the most popular - as well as highly specialized - majors and degrees.

StudyMaine is supported and funded in part by: **Maine**
VisitMaine.com

StudyMaine is an initiative of the
MAISE INTERNATIONAL TRADE CENTER
Global Students. Local Impact.

207.541.7400
studymaine@mitc.com

Maine International Trade Center
511 Congress Street, Suite 100
Portland, ME
04101-3429

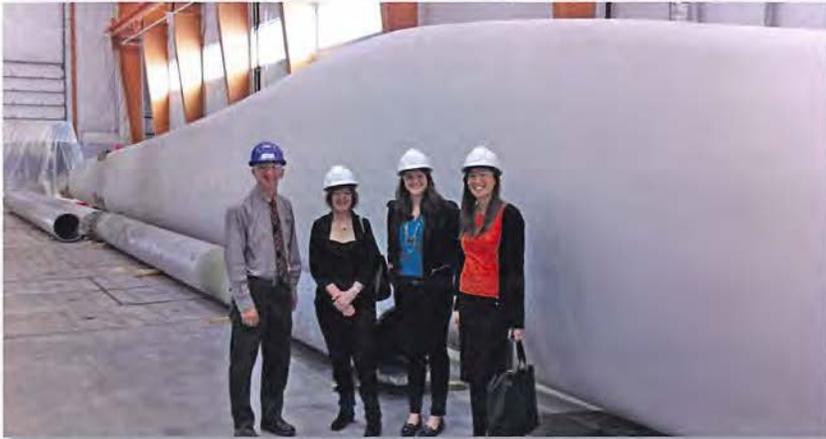
Member School Login

INVEST IN MAINE



MITC's Invest in Maine program is designed to increase the flow of foreign direct investment (FDI) dollars into Maine through international business attraction and international joint venture opportunities.

First quarter activities included meetings with key IT and food processing companies from Japan, as well as an investment trip to Quebec where MITC President Janine Bisailon-Cary met with aerospace supply chain and logistics companies. In March, Invest in Maine participated in the JEC composites show in Paris, coupled with meetings with French, German, and British companies working primarily in aerospace, advanced materials, and composites sectors.



In August, Alison Semple of OCO Global came on board as the new Invest in Maine managing director. Alison and her team visited Maine in October and met with 25 Maine companies and institutions from a variety of sectors. Alison also attended the Advanced Engineering UK event and MEDICA 2013 trade show in Dusseldorf, Germany, where meetings were scheduled with prospective investors.



Launching a new Spanish version of our "Visit. Study. Invest." video, MITC also presented on Invest in Maine during the State of Maine Trade Mission to Mexico & Colombia, hosting investment events in Queretaro, Mexico City, and Bogota. Investment presentations were also made in Calgary, Alberta in cooperation with the American Chamber of Commerce.

55
overseas
investor meetings

6
foreign investor
company site visits
to Maine

6
international
investor events

MEPR/STEP GRANT PROGRAM



The Maine Export Promotion Reimbursement (MEPR)/STEP program offers financial reimbursement of up to \$2,000 per year per company for business matchmaking services, trade show and trade mission participation, and other expenses. Maine's STEP grants, funded through the US Small Business Administration, continued to bear fruit for Maine companies in 2013. In all, more than 30 companies received some financial support from the STEP program, reporting over \$17 million in sales. The 2012-13 STEP grants supported international business activities in 12 countries, including matchmaking activities for the State of Maine Trade Mission to Mexico & Colombia and booth expenses for the Winter Fancy Food, European Seafood Exposition, and MEDICA 2013 trade shows.

More than **30** companies
received grants

Over **\$17 million**
in export sales reported

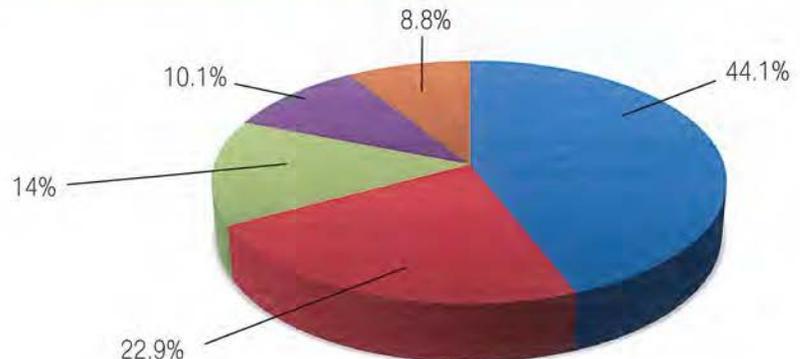
LEGISLATIVE AND PUBLIC POLICY OUTREACH



In February, MITC delivered the "Report on Barriers to Export Success for Maine's Small Businesses" to the Labor, Commerce, Research, and Business Development (LCRED) committee of the Maine Legislature, which had requested the study be undertaken the previous year. The survey, which received 115 responses from around the state, asked respondents to rate the impact of 18 common barriers to international trade. Three major areas of concern were raised as leading impediments to increasing global exports: transportation costs; foreign market barriers; and market research and lead generation. The findings outlined in the report informed MITC's approach to programming and outreach for the remainder of the year. Also in February, MITC hosted a Legislative Breakfast Briefing on international trade and the Maine economy for state legislators at the Maine State House in Augusta.

MITC MEMBERS BY INDUSTRY

- Manufacturing
- Services
- Economic Development/Government
- Food/Seafood
- Education



TOP EXPORT MARKETS

Canada	\$1,190,715,658
China	\$195,980,055
Japan	\$99,616,331
Malaysia	\$93,080,857
Korea, Republic of	\$63,303,003
Germany	\$49,549,452
Italy	\$48,085,560
United Kingdom	\$47,091,952
Netherlands	\$47,052,929
Belgium	\$39,510,438



TOP EXPORT COMMODITIES

Paper & Paperboard	\$327,045,818
Fish, Crustaceans & Aquatic Invertebrates	\$312,985,140
Wood & Wood Charcoal	\$228,639,964
Mineral Fuel, Oil, Bitumin Subst, Mineral Wax	\$202,677,864
Wood Pulp Etc; Recovd (Waste & Scrap) Paper & Paperboard	\$201,581,052
Electric Machinery, Sound & TV Equip, Parts	\$152,136,935
Aircraft, Spacecraft, & Parts	\$147,098,594
Industrial Machinery, Including Computers	\$136,383,530
Vehicles (Except Railway or Tramway) & Parts	\$68,015,091
Optic, Photo, Medic or Surgical Instruments	\$53,494,145

At time of publication, annual data available through October 2013

CONTACT MAINE INTERNATIONAL TRADE CENTER



Front row (from left): Lucy Sommo, Janine Bisailon-Cary, Zeynep Turk, Patty Davis
Back row (from left): Cheryl Rau, Wade Merritt, Hannah Webb, Jeff Bennett, Dana Eidsness

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.

207.541.7400 • info@mitc.com • www.mitc.com