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2009 Annual Report

Maine International Trade Center

Advancing Maine industries
globally since 1996, through

-  Business and trade counseling
-  Educational programming
-  Trade missions and overseas activities



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Marketing Maine To The World

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(Revised 2/10/10)

2009 INTERNATIONAL TRADE: EXECUTIVE SUMMARY

The Maine International Trade Center (MITC) was created by the Legislature in 1996 to increase access to global markets for Maine businesses. Since its creation, MITC has provided services to thousands of Maine companies through research and logistics assistance, educational outreach, gubernatorial trade missions, and participation in international trade shows. MITC is a public-private partnership with state funding through the Maine Department of Economic and Community Development, and private funding provided by the membership dues of its nearly 300 members. MITC is based in Portland and has an outreach office in Bangor.

The 2000's were a decade of growth for the international trade sector in Maine. In 2000, Maine exported \$1.8 billion in products annually. In 2009, Maine exported \$2.3 billion, representing a 28% increase since 2000. In addition, Maine's economic reach has become much more global in the last decade. In 2000, Maine companies exported to 160 countries, and exported at least \$100,000 of product to 83 countries. In 2008, Maine companies exported to 163 countries, and exported at least \$100,000 of product to 99 countries.

Despite a decade of success, 2009 was a challenging year for Maine's export community. Exports began to decline considerably amid the global financial crisis beginning in the fourth quarter of 2008. Maine exports fell off their record 2008 pace by 24% in calendar year 2009. Trade numbers did, however, show signs of recovery in the summer of 2009.

In 2009, MITC responded to more requests for information than at any time in its history, as Maine businesses sought new markets for products. In addition to directly assisting businesses, MITC offered a number of trade education programs to its members and to the community; led Maine delegations to several industry-specific trade shows; issued a report on foreign direct investment opportunities for the alternative energy sector; and led a Gubernatorial Trade Mission to Spain and Germany that generated an estimated \$21 million in sales for the emerging renewable energy industry.

The future of international trade in Maine is bright as more and more Maine companies learn of the tremendous opportunities available in foreign markets. In 2010, MITC will continue to reach out to Maine businesses to grow the number involved in international trade.

2009 SERVICES OFFERED

TRADE ASSISTANCE – Trade requests increased 6.4% in FY09

MITC offers market research and trade consulting services to Maine businesses. The research staff at MITC has access to the latest technical and statistical information, and

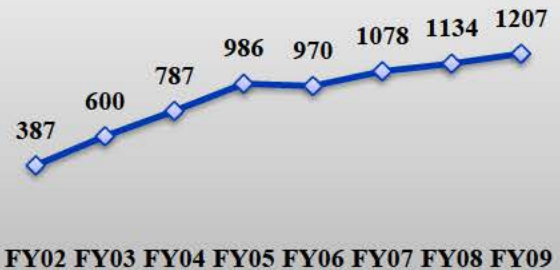
the expertise to apply that data to a Maine business's particular situation. MITC staff is trained to quickly deliver information that is easy to understand, whether trade data and statistics; tax and tariff rates; import and export regulations; trade leads; or logistics information.

Despite a difficult economy, MITC fielded 1,207 requests for technical assistance in FY09. This represents more technical requests in FY09 than at any time in the Trade Center's history, and 6.4% more than in FY08. This is a

testament to the importance to Maine businesses of finding new customers and developing new markets in order to weather an economic storm. In addition to inbound requests for services, in 2009 MITC staff stepped up outreach efforts and site visits in order to encourage more businesses to think strategically about export opportunities. Over 700 company visits were made by MITC's staff in 2009.



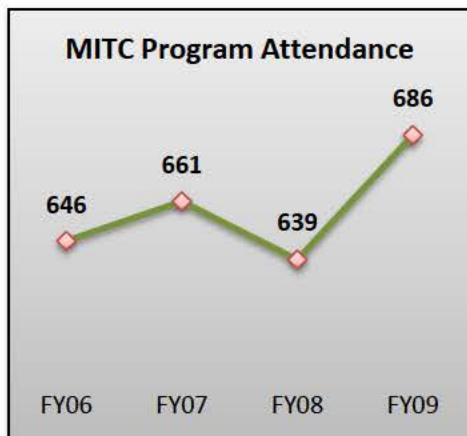
MITC Trade Assistance Inquiries



TRADE EDUCATION PROGRAMS – FY09 program attendance up 7.3%

MITC offers several programs and events each year to serve the ever-changing needs of Maine's business community. Issues and topics covered vary from year to year, depending on the demands of MITC clients, and the latest trends in the international marketplace.

In 2009, 686 Maine business people and community leaders attended a MITC trade education event. Events ranged from several "Lunch and Learn" gatherings, featuring industry or country-specific experts sharing business experiences at informal lunch-time discussions; to an industry meeting to respond to the lobster price drop; to Maine International Trade Day featuring over 200 attendees, trade education workshops, and a keynote address by a nationally-recognized trade expert.



In addition to Trade Education events, MITC also co-hosted several international and intercultural programs, attracting 422 additional participants. These included events concerning the International Relations Planning Committee (IRPC), World Affairs Council (WAC), and others.

New informational programs in 2009 were largely in response to changing economic trends in Maine and beyond. In January, MITC hosted a well attended gathering of secondary and post-secondary

educational institutions from across the state to discuss ways to further tap into the \$15 billion international education industry that is estimated to contribute over \$30 million annually to Maine's economy.¹ This event has since begun a significant dialogue about international opportunities, and has allowed some schools to begin to work together on international endeavors. As a result of the positive feedback and results, MITC has continued to monitor educational opportunities, and hopes to encourage and participate in further development of "Study Maine", an international education consortium. In January 2010, MITC hosted a follow-up educational program specific to recruiting students from India.

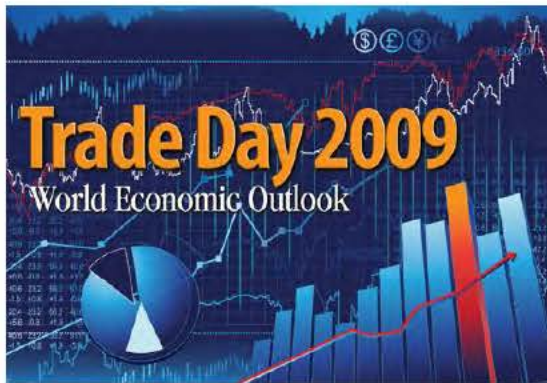
In March 2009, over 80 people attended an event in Bangor dedicated to explaining foreign investment opportunities in the alternative energy sector. The overwhelming attendance and positive feedback at this event led to the development of a report on "Canadian Investments in Alternative Energy". This event also laid the groundwork for a successful Gubernatorial Trade Mission to Europe in October that focused on alternative energy development. In 2010 and beyond, MITC will continue to build on the momentum of this sector, and has scheduled a follow-up program in February 2010.



In the fall of 2009, MITC offered several of its traditional trade education events, including "Doing Business in China"; "Global Logistics"; "Export Insurance"; and "Tools of Trade". 2010 promises to be another great year of programs with topics covering a number of new and traditional international trade themes.

¹ Source: NAFSA: Association of International Educators

Maine International Trade Day 2009 at UMaine in Orono



MITC hosted the 29th Annual Maine International Trade Day in May at the University of Maine.

Trade Day 2009: World Economic Outlook drew nearly 225 people from business, education, and government for the event.

After welcoming remarks from UMaine President Robert Kennedy, MITC President Janine Bisailon-Cary presented on the current State of Trade to the morning plenary session, followed by a panel of Maine businesses discussing the state of their

markets and strategies for the future in an era of changing global trade.

The day's events were capped by a networking reception and awards luncheon at the Wells Conference Center. Governor Baldacci and Janine Bisailon-Cary presented the 2009 International Trade & Investment Awards, followed by a keynote address by FCIA Management Vice President Byron Shoulton, who shared his thoughts on economic trends in Maine's major overseas trading partners.



The luncheon was then followed by a "matchmaking" event that connected dozens of Maine businesses with a number of foreign trade and consulate offices. These one-on-one meetings provided opportunities for the Maine businesses to learn about international opportunities, and introduce themselves to foreign representatives.

Trade and Investment Awards in 2009 included:

- Exporter of the Year – Elmet Technologies, Inc.
- Service Provider of the Year – A.N. Deringer Logistics
- International Innovator of the Year – Lee Academy
- Foreign Investor of the Year – Cooke Aquaculture, Inc.
- President's Award – Cathy Lee, Lee International
- Future Global Leader – Andrew Totman

TRADE MISSIONS AND TRADE SHOWS – FY09 Missions yielded \$9.8 million of projected export sales – up 3% from FY08

Key to the international success of many Maine businesses is access to international trade shows. Every year, the Maine International Trade Center collaborates with industry groups and federal and regional trade organizations to provide access to some of the world's largest trade exhibitions.

In 2009, MITC organized the following international trade events: Gulfood in the U.A.E, and an accompanying trade mission to Dubai and Abu Dhabi; MEDICA (Medical and Biotech Industry Show) in Düsseldorf, Germany; the Vietnamwood Trade Show; and the Gubernatorial Trade and Energy Mission to Spain and Germany. The events in calendar year 2009 set new records for projected sales for participating Maine businesses. Sales in FY09, from July 2008 to June 2009, are estimated at \$9.8 million. In the first half of FY 2010, Maine companies project export sales of over \$25 million as a result of the Gubernatorial Trade and Energy Mission to Europe; MEDICA 2009; and Vietnamwood 2009.



Trade Mission – February 2009: Abu Dhabi and Dubai/Gulfood Trade Show, U.A.E

The U.A.E. has been a country of interest for MITC and our businesses for some time. Surveys to our membership indicated a strong level of interest in developing markets in the U.A.E. The U.A.E. represents one of the highest economic growth countries over the past decade. Average annual percent of increase in terms of real GDP is 7.5% during this period. The U.A.E. is also the 4th most trade dependent country in the world (trade as a percent of GDP).



In May of 2008, MITC hosted a Food Export program, "Focus on Dubai". A survey conducted after this program indicated significant interest in companies participating in a MITC-led and organized booth at the 2009 Gulfood Trade Show. Gulfood represents



the largest food industry trade show in the Middle East. MITC's trade mission to the U.A.E. followed two different tracks. One track had companies participating in the Gulfood show, while the other track had companies participating in pre-arranged one-on-one business meetings through the U.S. Foreign Commercial Service.

Maine businesses participating included: Catch a Piece of Maine, Portland; Greenhead Lobster, Stonington; LaBree's Bakery, Old Town; Sea Bags, Portland; Sullivan and Merritt Constructors, Hermon and Gray; and Technology Systems Inc., Brunswick.

Industry representatives participated in either pre-arranged one-on-one matchmaking meetings in Abu Dhabi and Dubai or participated in the Gulfood Trade Show. One-on-one meetings were organized by the U.S. Foreign Commercial Service and MITC; the Gulfood show participation was organized by MITC. Maine participants made 107 serious-level business contacts in the region, and estimated sales as an immediate result of the trade mission were reported at \$3.2 million.

Trade Show – September 2009: Vietnamwood in Ho Chi Minh City, Vietnam

Vietnam's wood industry has grown 48% annually over the past six years. Currently, there are some 2,000 wood processing enterprises that are net importers of wood, and provide a market for Maine's Eastern White Pine. Due to the market potential and interest from Maine softwood producers, MITC decided to participate at Vietnamwood 2009, bringing Maine companies to the trade show in Ho Chi Minh City in September. Softwood Export Council funds were utilized to subsidize the majority of the travel, marketing, and booth costs for participating companies.



MITC staff attended the trade show to promote the Maine Softwood industry along with the Timber Resources Group of Farmington and Hancock Lumber of Casco who was represented by its broker for Vietnam. Visitors to the booth included companies and individuals from Vietnam, China, India, Taiwan, Australia, and New Zealand. A number of contacts were made, and over \$1 million of sales have been reported.

Trade Show – November 2009: MEDICA in Düsseldorf, Germany

The biotechnology, medical device, and medical product industries in Maine are a growth industry seeing sustained export growth over the past five years. The



biotechnology industry is one of a few in the United States generating positive gains in 2009 exports over 2008 exports.

The Maine International Trade Center has co-organized the “Best of New England” exhibit at MEDICA since 2006. Other New England states involved are New Hampshire, Vermont, Rhode Island, and Connecticut. The “Best of New England” booth provides Maine companies access to the

most important and largest medical products and services trade show in the world.

Maine companies receive prime location exhibition space that is best suited to small-to-medium sized companies, with additional services provided through international trade specialists from MITC and other states. In addition, key North American companies attended the show, which offered numerous cross-selling opportunities.

The two companies that participated with MITC at the MEDICA show were Maine Biotechnology Services and Lighthouse Imaging Corporation, both of Portland. A number of other Maine companies were also in attendance, either through their own booths or as trade show attendees.

International buyers visiting the booth included business people from Europe, India, Turkey, China, South America, and Taiwan. Maine companies reported meeting 14-18 new potential distributors and agents. 11 companies involved in the “Best of New England” booth have reported a combined \$5.5 million in projected sales over three years as a result of the show, and Maine companies project \$2.3 million of sales.

Trade Mission – October 2009: Gubernatorial Energy Mission to Spain and Germany



This year, the Gubernatorial Trade Mission was industry-specific, focusing on Maine companies engaged in the wind power industry. Spain and Germany were chosen due to their high interest in investment in the U.S. and their status as world leaders in terms of wind energy production and installation. The objective of the Governor and the companies and organizations who participated was to establish key relationships with Europe’s top firms, to position Maine as the

preferred U.S. location for European investment, and to market Maine's products and renewable energy services.

Representatives from Maine companies included Bangor Hydro Electric Company; Bath Iron Works; Cianbro; James W. Sewall Company; Larkin Enterprises; Maine Composites Alliance & Maine Wind Industry Initiative; Maine Port Authority; Midcoast Regional Redevelopment Authority; Norman, Hanson & DeTroy; Northern Maine Community College; Reed & Reed; Perkins Olson; Pierce Atwood; Sargent Corporation; Sprague Energy; and Sullivan and Merritt Constructors.

More than 100 matchmaking meetings were held while in Spain and Germany. These sessions were organized by the U.S. Foreign Commercial Service and Wind Expo staff. Local industry experts worked for weeks to prescreen potential customers for the Maine businesses and organizations. Maine companies have reported \$21 million in projected sales over the next 12 months as a direct result of these meetings.



MITC coordinated renewable energy business attraction and investment events in Madrid, Spain and Bremen, Germany with approximately 70 and 110 participants respectively. These events included remarks by Governor Baldacci, followed by presentations on the development of the wind industry in Maine and opportunities for investment in the state. Maine is home to more than 95% of installed wind power in New England and has the highest concentration of Class 5 wind in the Northeastern United States. Maine's strong position in the U.S. was not previously widely known to the European industry members.

Follow-up activities also resulted from the meetings held during the Trade Mission. The Spanish wind energy groups and the Norwegian company StatoilHydro have both sent representatives to Maine as a result of on-going communications.

REGIONAL TRADE DESKS

Canada Desk



MITC's Canada Desk is based at the Trade Center's Bangor office, and serves the entire state. Canada is Maine's single largest trading partner, purchasing well over \$800 million of Maine exports every year. The Canada Desk specializes in assisting Maine companies doing

business in Canada, by helping them understand NAFTA, customs regulations, and developing new regional markets inside Canada. More than 100 businesses received technical assistance from the Canada Desk in 2009. Canada-based activities in 2009 included the New England Governors and Eastern Canadian Premiers Conference in New Brunswick, the Spring Ocean Renewable Energy Group meeting, an “Alternative Energy Technologies in Canada” program hosted by MITC in Bangor and the “Building for The Future: a Look at Sustainable Building Practices in the U.S. and Canada” conference in New Brunswick.

Asia Desk

MITC’s Asia Desk was established in 2005 as the “China Desk”, specifically to focus on the growing importance of the Chinese market to Maine’s economy. In 2009, the China Desk was renamed the Asia Desk to better reflect Maine’s vast and expanding number of trading partners across the Asian continent. Asian markets constitute four of Maine’s top ten export markets and \$750 million of Maine exports in 2009. These markets include Malaysia (\$348 million); China (\$175 million); Japan (\$101 million) and Korea (\$51 million). Asia Desk activities in 2009 included the Vietnamwood Trade Show and the Trade Education programs “Business Briefing on South Korea” and “Doing Business in China’s „Tier 2“ Cities”.



LEGISLATIVE AND PUBLIC POLICY OUTREACH

In the fall of 2009, MITC held three Legislative Roundtables for state legislators in Portland, Bangor, and Lewiston. These roundtables provided an informal opportunity for internationally active businesses, trade center members, and MITC’s board and staff to meet with their local legislators and highlight the importance of international trade to the Maine economy as well as Maine’s businesses and communities. In all, 27 legislators participated in the roundtables, representing districts all over the state.

In addition, MITC remained an active member of the Maine Citizens Trade Policy Commission (MCTPC). The MCTPC was formed in 2005 to provide input and guidance on the impact of trade agreements on Maine’s business community and regulatory process. In 2009, the MCTPC teamed with the Water Resources Planning Commission to study potential international challenges to Maine’s groundwater regulatory system. Together, these initiatives served to further enhance MITC’s commitment to educate the public and policy makers as to the importance of international trade to Maine businesses.

FOREIGN DIRECT INVESTMENT – Foreign investments remain important to Maine's economy

Although there are no longer any state funds appropriated for foreign direct investment or international business attraction, the Maine International Trade Center continues to service this area on a limited basis. There are approximately 100 foreign companies operating registered subsidiaries in Maine, representing some of Maine's largest employers. Canada is Maine's largest foreign direct investor particularly in the wood products, agricultural products, and energy sectors. Europe has the second largest presence with companies from the U.K., Germany, Switzerland, Norway, and Spain investing.



Every year, MITC provides the latest facts and figures helpful to business recruitment efforts to both DECD and Maine & Co. Furthermore, through its annual strategic planning, MITC includes an FDI component to as many ongoing international outreach efforts as possible.

In the spring of 2009, MITC produced the report "Canadian Investment in Maine's Alternative Energy Sector" which was widely utilized within

Maine's renewable energy industry and related service providers. The Trade Center participated in and had a stand at the Ocean Renewable Energy Conference in Nova Scotia, where Maine businesses met with potential investors in the tidal energy area.

As a direct result of MITC's renewable energy investment events and the Gubernatorial Trade Mission, Maine received significant interest and visits from potential investors from Norway and Spain in November. MITC also co-hosted a Maine Ocean Wind Energy Reception with over 120 attendees at the American Wind Energy Association (AWEA) conference in Boston in December.

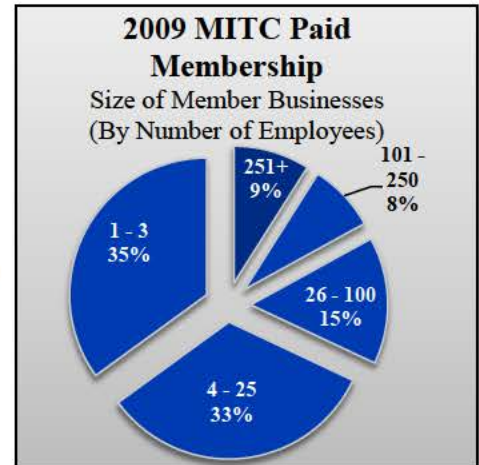
The Trade Center produced the "2009 Maine Renewable Energy Investment Guide" to serve as an FDI tool to energy investors, and a wind investment video highlighting Maine's natural assets.

ADMINISTRATION AND MEMBERSHIP

MEMBERSHIP PROFILE

MITC's programs and offerings extend to all facets of international business – whether companies are currently engaged in international trade, or just developing their international outreach in exports, imports, or international services.

Most of MITC's members and clients are small businesses. Currently, 80% of MITC's members consist of firms employing fewer than 100 people; 68% of members employ fewer than 25. MITC members represent all sectors of Maine's economy. Since 2008, MITC has increased its membership outreach to new businesses, and has been able to offer one-year complimentary memberships to Maine Technology Institute commercial grant recipients in order to support their international trade needs as these businesses start and grow.



MITC OPERATIONS

The Trade Center is sustained by the generous support of Maine taxpayers as well as its 300 member companies and organizations. MITC is led by the State Director of International Trade, and has its own staff of 5½ trade specialists and 2½ support professionals. The annual combined budget is \$858,378 with \$521,853 coming from state appropriations, and \$336,524 from the private sector. Private sector dollars



represent memberships (\$79k), sponsorships (\$39.5k), and the balance is pass-through participation fees in education and mission events – all based on FY2010 budget.

Despite increases in operational expenses due to health care costs, insurance, rents, and IT service costs, MITC has continued to meet the consistent increase in demand for services.

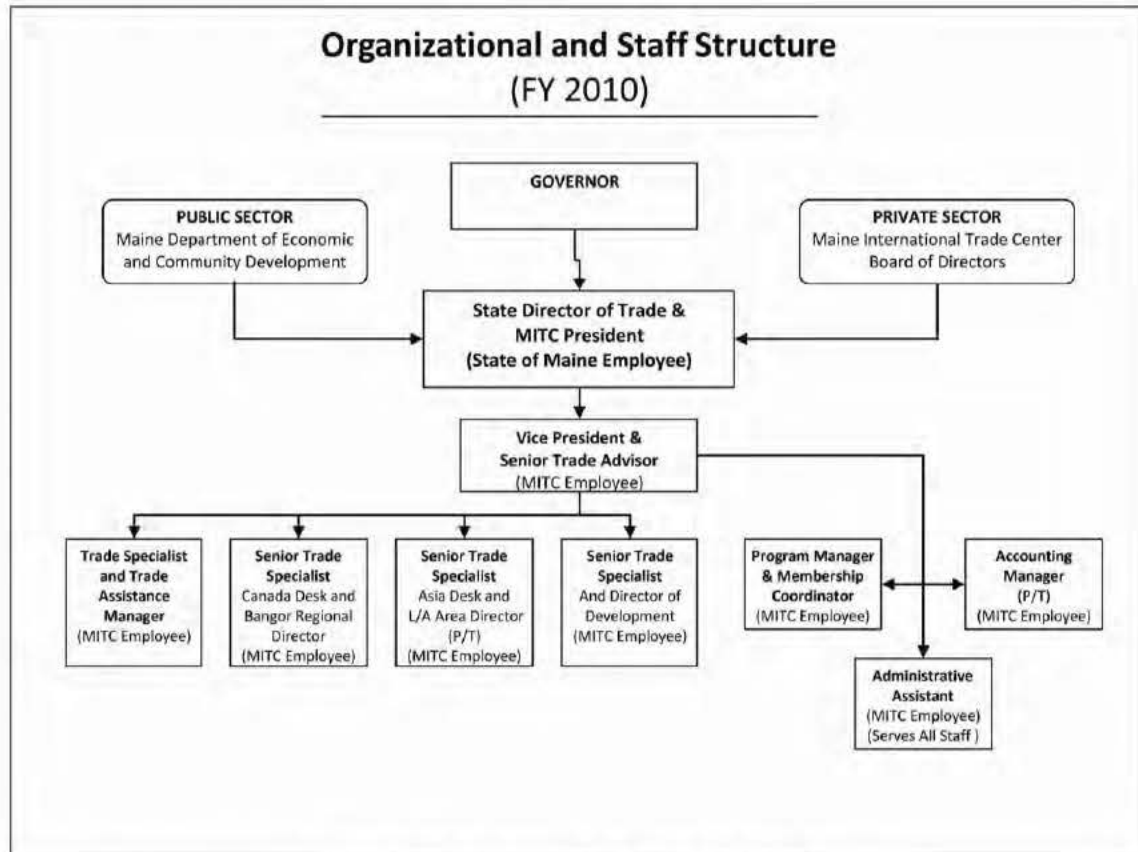
Since 2001, state appropriations to MITC have been cut by 10%. The results of these cuts have been staff reductions and service eliminations. MITC has reduced its Bangor Office staff from 2 to 1 and was forced to close its physical Lewiston office in July 2009.

2009 Staff Organizational Chart



MAINE INTERNATIONAL TRADE CENTER

Marketing Maine To The World



MITC Technical Assistance Staff Areas of Expertise

| Name/Title | Geographic & Industry Areas of Expertise | Other Duties |
|---|--|--|
| Janine Bisaillon-Cary President | Europe, Asia, Mexico, Cuba / Renewable Energy, Seafood | State Director of Trade and MITC President |
| Wade Merritt Vice President | Canada / Energy and Environmental Technology, Education | Senior Trade Advisor |
| Zeynep Turk Senior Trade Specialist | Greater Middle East / Forest Products, Wood Products, Pulp and Paper, Service Industries | Director of Development |
| Jeff Bennett Senior Trade Specialist | Canada / Food and Agricultural Products, Consumer Goods | Director of the MITC Canada Desk , Director of the Bangor Regional Office |
| Anne Nanovic Senior Trade Specialist | Asia, Germany / Boat Building, Composites | Director of the Greater Asia Desk , Lewiston-Auburn Director |
| Bryan Bozsik Trade Specialist | Central & Eastern Europe / Information Technology, Medical Products, Biotechnology | Trade Assistance Manager, Intern Coordinator |

2009 MAINE TRADE STATISTICS

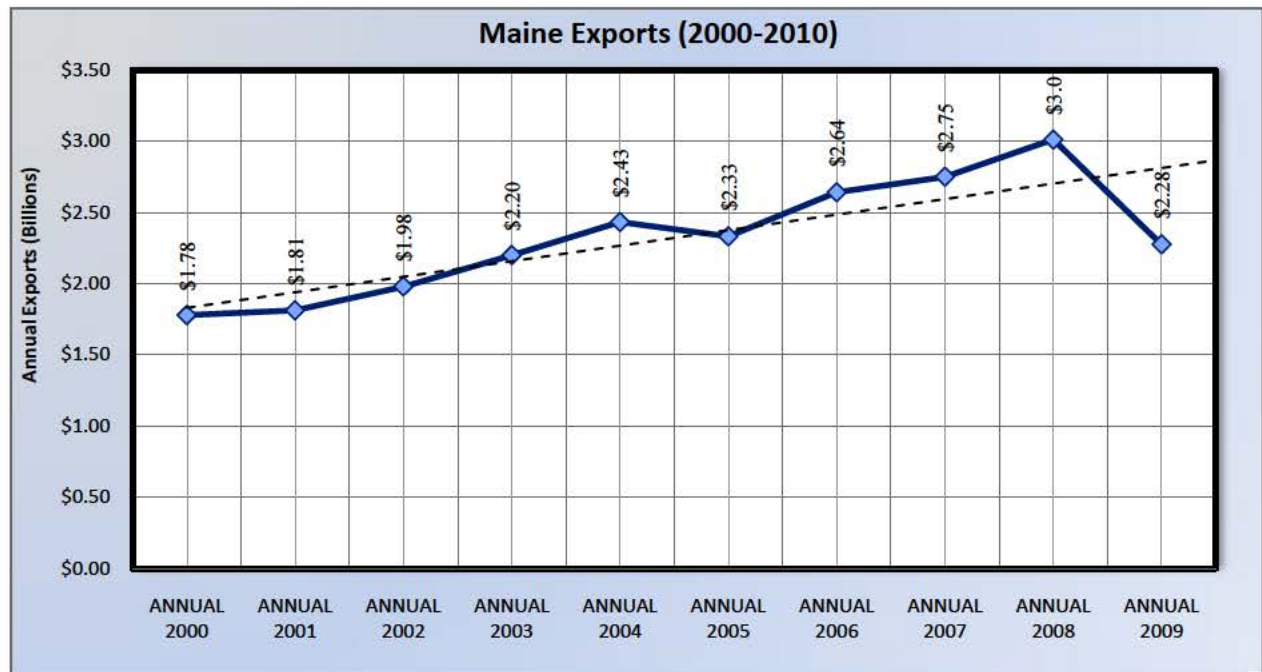
EXPORTS

Annual Export Growth

Maine exports have trended up considerably during the 2000's. At the end of 2009, exports were 28% higher than they were at the beginning of the decade. The last quarter of 2008 saw a significant contraction of exports, and did not rebound until the first half of calendar year 2009. For the period of January-June 2009, export figures were 35% lower than they were for January-June 2008. Signs are pointing to a strong recovery however, as monthly statistics in the second half of calendar year 2009 have shown much more promise than the first half. By the end of 2009, Maine had exported \$2.3 billion of products.

| Year | Maine Exports |
|------|-----------------|
| 2000 | \$1,778,694,956 |
| 2001 | \$1,812,455,075 |
| 2002 | \$1,979,995,444 |
| 2003 | \$2,200,020,809 |
| 2004 | \$2,431,795,269 |
| 2005 | \$2,332,078,650 |
| 2006 | \$2,641,505,201 |
| 2007 | \$2,750,326,347 |
| 2008 | \$3,011,497,297 |
| 2009 | \$2,296,290,790 |

Despite the setback of the global economic crisis, Maine businesses will have exported 28% more products in 2009 than they did in 2000.



Source: WiserTrade Database, accessed 2/10/2010

Maine Export Commodities

The last decade was a decade of considerable change in Maine's economy. Investments in new technologies and processes by Maine manufacturers over the past several years have fundamentally changed the export landscape of the State of Maine.

The following table illustrates the diversification of Maine's economy that has taken place over the past several years, with electronics, vehicles, and biotech products now ranking high on the list.

Maine Top Export Products 2008

| Rank | Description | ANNUAL 2009 | ANNUAL 2000 | Δ 2000-2009 |
|------|--|---------------|---------------|-------------|
| | TOTAL ALL COMMODITIES | 2,276,290,790 | 1,778,694,956 | 28% |
| 1 | Electric Machinery , AV Equipment, Parts | 397,743,588 | 356,002,031 | 12% |
| 2 | Paper & Paperboard & Pulp | 303,120,399 | 237,679,038 | 28% |
| 3 | Wood And Articles Of Wood | 219,492,753 | 254,647,171 | -14% |
| 4 | Fish, Crustaceans & Aquatic Invertebrates | 179,920,214 | 185,603,907 | -3% |
| 5 | Vehicles and Parts | 167,284,851 | 23,292,577 | 618% |
| 6 | Aircraft, Spacecraft, And Parts | 164,289,388 | 6,860,713 | 2295% |
| 7 | Wood Pulp; Recovered Waste Paper Pulp | 158,149,528 | 143,268,032 | 10% |
| 8 | Industrial Machinery, Including Computers | 138,585,220 | 123,766,007 | 12% |
| 9 | Miscellaneous Chemical Products | 62,798,348 | 17,176,300 | 266% |
| 10 | Mineral Fuel, Oil Etc. | 56,560,167 | 42,272,629 | 34% |
| 11 | Optical Medical or Surgical Instruments | 54,214,359 | 27,979,345 | 94% |
| 12 | Plastics And Plastic Products | 47,042,618 | 34,471,725 | 36% |
| 13 | Prepared Vegetables and Fruits | 27,597,099 | 2,785,201 | 891% |
| 14 | Edible Fruit & Nuts | 27,389,208 | 37,047,190 | -26% |
| 15 | Edible Preparations Of Meat, Fish, Crustaceans Etc | 26,941,480 | 12,639,971 | 113% |
| 16 | Pharmaceutical Products | 23,021,097 | 7,332,362 | 214% |
| 17 | Arms And Ammunition | 22,337,491 | 7,672,434 | 191% |
| 18 | "Other" Products | 14,075,250 | 28,260,219 | -50% |
| 19 | Furniture and Bedding | 13,247,966 | 5,628,874 | 135% |
| 20 | Wadding, Felt , Spun Yarn; Twine, Ropes Etc. | 13,220,011 | 6,670,358 | 98% |

TRADING PARTNERS – Maine companies now trade with most of the world's nations

In 2009, Maine companies traded with 160 of the world's nations. Trade ranged from \$902 million of goods to Canada, to \$2800 of aircraft parts to Gabon. Maine truly has become a fully-integrated global player, and as a result there are now limitless markets for Maine products and services.

Maine now has more major trading partners, in parts of the world that were once unheard of to Maine businesses. Global building booms throughout the 2000's, as well as high demand for computer, technological, and defense products has changed the destinations of Maine goods. Although Canada remains Maine's largest trading partner, huge new markets in Asia and the Middle East have emerged, resulting in tens of millions of dollars in sales to Maine companies.

The following table illustrates some of the market changes of the last decade:

Maine's Top Exporters: 2009 vs. 2000

| 2009 Rank | 2000 Rank | Description | ANNUAL 2009 | ANNUAL 2000 |
|-----------|-----------|------------------------------------|-----------------|-----------------|
| | | TOTAL ALL PARTNER COUNTRIES | \$2,276,290,790 | \$1,778,694,956 |
| 1 | 1 | Canada | \$902,671,668 | \$838,901,424 |
| 2 | 2 | Malaysia | \$348,467,408 | \$133,760,020 |
| 3 | 18 | China (Mainland) | \$175,470,108 | \$23,161,298 |
| 4 | 3 | Japan | \$101,393,779 | \$76,634,634 |
| 5 | 43 | Saudi Arabia | \$66,059,055 | \$1,502,469 |
| 6 | 16 | France | \$64,216,013 | \$28,319,279 |
| 7 | 4 | Korea, Republic Of | \$51,592,147 | \$64,402,002 |
| 8 | 78 | Ukraine | \$51,302,932 | \$113,773 |
| 9 | 13 | Netherlands | \$48,651,049 | \$32,270,359 |
| 10 | 10 | Mexico | \$43,136,329 | \$36,922,646 |
| 11 | 5 | Belgium | \$38,938,690 | \$58,201,839 |
| 12 | 31 | Switzerland | \$32,718,972 | \$4,480,595 |
| 13 | 7 | United Kingdom | \$32,440,460 | \$47,337,305 |
| 14 | 9 | Australia | \$29,327,509 | \$40,085,158 |
| 15 | 12 | Germany | \$28,867,388 | \$35,249,122 |
| 16 | 40 | United Arab Emirates | \$21,136,491 | \$1,741,901 |
| 17 | 17 | Brazil | \$17,664,049 | \$26,628,288 |
| 18 | 6 | Hong Kong | \$16,494,430 | \$50,039,256 |
| 19 | 11 | Singapore | \$12,437,093 | \$36,441,219 |
| 20 | 37 | Finland | \$12,111,372 | \$2,045,439 |

MITC 2009 BENCHMARKS

The following benchmarks many of the statistics contained in this report. The data corresponds to FY09 at MITC, as MITC follows the same fiscal year calendar as the State of Maine.

MITC Benchmarks FY09 (July 1, 2008 – June 30, 2009)

| Year in Review: MITC Trade Education Programs | FY2006 | FY2007 | FY2008 | FY2009 |
|---|--------|--------|--------|--------|
| Number of programs | 13 | 13 | 14 | 16 |
| Total number of participants attending | 646 | 661 | 639 | 686 |

| Year in Review: MITC Membership | FY2006 | FY2007 | FY2008 | FY2009 |
|---------------------------------|--------|--------|--------|--------|
| Number of Members | 280 | 307 | 310 | 307 |

| Year in Review: MITC Research/Consulting | FY2006 | FY2007 | FY2008 | FY2009 |
|---|--------|--------|--------|--------|
| Number of Inquiries/Trade assistance provided | 970 | 1078 | 1134 | 1207 |

| Year in Review: MITC Trade Missions/Trade Shows | FY2006 | FY2007 | FY2008 | FY2009 |
|---|------------|------------|------------|------------|
| Number of trade missions/Trade shows | 2 | 5 | 6 | 3 |
| Total number of participants in trade missions | 32 | 16 | 45 | 22 |
| Total dollars in reported sales | \$5.2 mil. | \$2.8 mil. | \$9.5 mil. | \$9.8 mil. |

STRATEGIC PLAN: 2010 AND BEYOND

MITC is committed to helping Maine businesses emerge from 2009 stronger and more capable of competing on a global scale. To this end, the coming years will involve intensive outreach and technical assistance activities to encourage Maine businesses to think internationally as they prepare for future economic growth.

MITC works with all of Maine's internationally active industry sectors and each Trade Specialist has specific industry sector expertise. MITC's strategic plan for 2009-2010 focuses on several industry sectors, three emerging and three mature traditional/established sectors. Each is identified as having high potential for export growth and/or foreign investment.

INTERNATIONAL DEVELOPMENT OF EMERGING INDUSTRIES

International Opportunities for Educational Institutions

International student attraction is an important and emerging economic development tool for communities around the state. With an estimated economic impact of \$20,000 per student, over \$30 million was brought into the state economy by international students in 2009. Attraction of foreign students to the state's educational institutions directly translates to job creation and retention. As many of the targeted institutions are located in rural areas, the effect is even further magnified.

In the coming year, MITC will continue to take the lead in marketing the state's educational institutions internationally with the goal of creation of a "StudyMaine" consortium and presence at major overseas student recruitment shows. The U.S. Department of Commerce/Commercial Service has noted that this is one of the key export growth areas for New England.



MITC will continue to develop trade education opportunities in this area in 2010. Additionally, the Trade Center will engage in stepped-up outreach to educational and cultural institutions in order to better coordinate international educational outreach initiatives.

Renewable Energy

Renewable energy is considered one of the great potential economic development tools for the state. As much of the development in wind, tidal, and ocean energy is taking place outside the United States, MITC is uniquely positioned to attract attention to

Maine's resource and emerging industry players. Inward investment and technology transfer are two possible outcomes, with benefits accruing to existing Maine firms in construction, engineering, and manufacturing.

In 2010, MITC will build upon the tremendous success of the 2009 Alternative Education Program; Gubernatorial Trade Mission; and Alternative Energy Investment Guide, to continue to improve the trade landscape for alternative energy innovations. The Trade Center will serve as the point of contact for foreign firms looking to establish a North American/Northeast U.S. presence. Spanish and German companies are actively looking for such a presence, as was discovered during the mission, and MITC should work with companies and government officials in Maine to coordinate an appropriate response and promote business attraction.



Biotech and Medical Industry Opportunities

The biotechnology and medical products industries are among the strongest and best performing Maine industries in terms of export growth. Through July 2009, biotechnology products and medical products and equipment exports from Maine were sent to well over 50 countries and totaled in excess of \$65 million dollars. Established markets for Maine products include East Asia, South America, Europe, and parts of Africa.



MITC has partnered with the Biotechnology Association of Maine (BAM) in support of the biotechnology industry in Maine. Every year since 2006, MITC has coordinated a joint exhibition booth with four other New England states called "Best of New England" at MEDICA in Germany, allowing Maine companies to exhibit their products and services at a reduced cost at the most comprehensive medical trade show in the world.

In 2010, MITC will work in concert with other New England states to provide a low-cost opportunity for Maine and New England companies to develop additional export markets. The Trade Center will continue to work with BAM and identify opportunities where the two organizations can collaborate on operations. MITC will also continue to assist companies in developing new markets and provide the technical assistance necessary for successful market entry, as well as build upon the success of the 2009 MEDICA show to lead an expanded delegation to MEDICA in the fall of 2010.

MODERN FOCUS ON TRADITIONAL INDUSTRIES

Forest Products and Building Materials

One of the backbones of the state's economy, forest products, including pulp and paper, remains a firm focus for the Trade Center. In 2009, Maine's Pulp, Paper, and Wood Industries exported over \$680 million of products across the world, with Canada, Asia, and Europe being the largest markets.

MITC has a long, established relationship with the U.S. Softwood Export Council (SEC), a national program that provides marketing grants to support participation in overseas trade shows. MITC has coordinated business development missions for the industry to China and the United Arab Emirates, and most recently to Vietnam. MITC also participated in the Pulp & Paper Foundation annual meeting at the University of Maine. In September 2009, the Trade Center helped coordinate the Green Build event at the annual Conference of New England Governors and Eastern Canadian Premiers, which brought together industry leaders from across the region.

MITC has established excellent relationships across the state, and will continue to consult with industry leaders to proactively identify market targets and assist with developing their entry strategy. MITC will continue its relationship with the SEC and work to broaden the base of companies marketing under that program. The Trade Center will also explore alternative programs and markets for building materials.



Seafood/Food Products



Seafood and food products have been a cornerstone of Maine's exports, and will remain so well into the future. In 2009, the state's seafood industry exported over \$180 million in seafood and over \$99 million in other food products (including blueberries, potatoes, and processed foods).

Similar in goals to the SEC program for softwood, MITC has a long-established relationship with FoodExportUSA, a nonprofit marketing group affiliated with the U.S. Department of Agriculture that allows MITC to provide marketing offset monies and business matchmaking services to food and seafood companies participating in overseas trade shows and missions. Recent programs in these industries included the 2008 Trade Mission to Canada, the Gulf food

Trade Show in the United Arab Emirates, and the Natural Foods Show in September 2009 in Boston.

The Trade Center is an established player within the state's seafood and food products industries and enjoys excellent relationships across Maine. MITC will continue to work closely with these companies to proactively identify market targets and assist those companies with their entry plans. MITC is also planning on returning to the Gulfood show in the winter of 2010.

CONTACT THE MAINE INTERNATIONAL TRADE CENTER

To allow for convenient access, the Maine International Trade Center offers locations in Portland and Bangor. In addition, MITC was proud to re-launch its website, www.mitc.com, in the fall of 2009. The website now offers a more user-friendly format featuring enhanced industry-specific pages, a new Trade Missions and Shows section, an easy-to-navigate member directory, and online program registration.

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Marketing Maine To The World