

MAINE STATE LEGISLATURE

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2010 Annual Report

Maine International Trade Center

Global Resources. Local Expertise.

Advancing Maine industries
globally since 1996, through

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



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TRADE CENTER

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MAINE INTERNATIONAL TRADE CENTER

Global Resources. Local Expertise.

Senator Christopher Rector, Chair

Representative Kerri Prescott, Chair

Members of the Joint Standing Committee on Labor, Commerce, Research and Economic Development

100 State House Station

Augusta, ME 04333

Senator Rector, Representative Prescott, and Members of the Committee:

As you get back to work this busy legislative session, we at the Maine International Trade Center (MITC) wanted to provide you with an update of the status of international trade and investment in Maine. We are pleased to report that Maine's 2010 year to date exports as of October 31 are 38% higher than they were at the same time in 2009. As of October 31, \$2.57 billion of Maine products had been exported, representing \$339 million more in exports through October than all of 2009 combined. This growth puts Maine 5th in the nation in terms of export growth for 2010.

More and more Maine businesses from our largest corporations to sole proprietors are selling products and services to customers in over 164 countries each year. We are also encouraged that requests for trade assistance provided by MITC staff continue to increase each year. According to the Business Roundtable, over 181,000 Maine jobs can be linked to international trade and foreign investment. MITC strives to strengthen international opportunities for Maine companies by providing technical trade assistance, educational programs, and coordinating international events and trade missions.

Enclosed you will find a copy of MITC's FY 2010 Annual Report, which also serves as an overview of the services and programs MITC offers to the people and businesses of Maine. Of note are two new initiatives coordinated by MITC this past year, "StudyMaine" and "Invest in Maine" are designed to seek foreign investment from some of the fastest growing economic sectors and connect Maine's educational institutions to lucrative foreign student markets. We believe that these new initiatives will create opportunities for even more international growth in FY 2011/12.

We hope to see you at our Legislative Event on January 19th (5-7pm) at the Senator Inn and we look forward to working with you in the upcoming session.

Best regards,

Janine Bisaillon-Cary
President

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FY2010 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. A third outreach office, in Lewiston, was closed in 2009 due to cuts in the state budget.

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 foreign markets, and exported at least \$100,000 of product to 83. In 2009, Maine companies exported to 167 markets, and exported at least \$100,000 of product to 99.

Despite a decade of success, 2009 was a challenging year for the world – and Maine's – international trade community. Maine exports fell off their record 2008 pace by 24% in calendar year 2009 as the world's economy grew at its slowest rate since 1970 and overall global trade declined for the first time in 25 years. Trade numbers did show signs of recovery by the summer of 2009; however the year-end figure was the lowest since 2003. Maine's exports were up 40% through the first half of 2010, indicating a substantial rebound in overseas products for the state's manufactured goods.

In FY2010*, MITC responded to more requests for information than at any time in its history, as Maine businesses sought new markets for products and sought to retain their overseas footholds. 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 Trade Mission to Spain and Germany that generated an estimated \$21 million in sales for the 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 2011, MITC will continue to reach out to Maine businesses to grow the number involved in international trade – and to expand the reach of those already there.

* This document is based on MITC's fiscal year, which runs from July 1 to June 30. FY2010 began on July 1, 2009 and ended June 30, 2010.

FY2010 SERVICES OFFERED

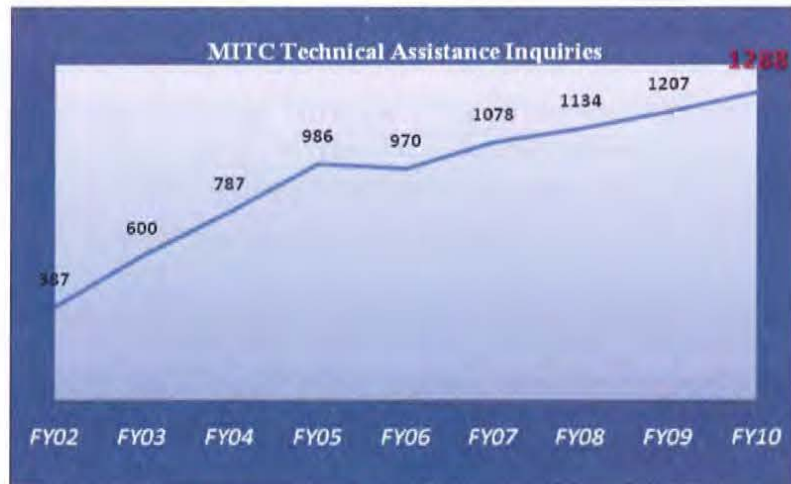
TRADE ASSISTANCE – Trade requests increased 6.7% in FY2010



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.

MITC fielded 1,288 requests for technical assistance in FY2010. This represents more technical requests than at any time in the Trade Center's history, and 6.7% more than in FY2009. 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 FY2010.



TRADE EDUCATION PROGRAMS – Over 600 attendees at MITC programs

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 FY2010, over 600 Maine business people and community leaders attended a MITC trade education event. MITC hosted programs in Bangor, Lewiston, and Portland on a variety of topics, including marketing consumer goods to Canadian consumers and an overview of Maine's transportation and logistics infrastructure.

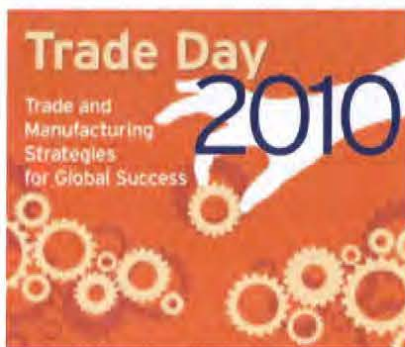


Maine International Trade Day, held this year at the Samoset Resort in Rockport, featured approximately 250 attendees, a keynote address by Patricia Mears of the National Association of Manufacturers, and a bonus session on preparing for foreign investment.

New informational programs in FY2010 were largely in response to changing economic trends in Maine and beyond. In January 2010, MITC hosted an educational program specific to recruiting students from India as part of the launch of the StudyMaine initiative, and in February, representatives of Hydro-Quebec presented to over 100 attendees on that company's plans for investment in New England and Atlantic Canada's energy infrastructure.

In FY2010, MITC also offered several of its traditional trade education events, including "Doing Business in China"; "Export Insurance"; and "Tools of Trade". The 2010-11 program year promises to be another great year with topics covering a number of new and traditional international trade themes including biotech, renewable energy, and a second program on "Women in Global Leadership".

Maine International Trade Day 2010 at the Samoset Resort in Rockport



MITC hosted the 30th Annual Maine International Trade Day in May at the Samoset Resort in Rockport. *Trade Day 2010: Trade and Manufacturing Strategies for Global Success* drew nearly 250 people from business, education, and government for the event.

After the morning plenary session with the Canada-based Excellence in Manufacturing Consortium, Trade Day 2010 continued with a panel of Maine manufacturers in traditional industries discussing the state of their markets and how they have managed to not only survive, but thrive in an era of changing global trade.

The day's events were capped by a networking reception and awards luncheon. Governor Baldacci and Janine Bisailon-Cary presented the 2010 International Trade & Investment Awards, followed by a keynote address by Patricia Mears, Director of International Commercial Affairs at the National Association of Manufacturers (NAM) in Washington, D.C.



Mears gave NAM's perspective on global trade and their views on the new National Export Initiative (NEI).

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.

Finally, MITC welcomed Christopher Steele of CWS Consulting, an expert in assisting states, regions, and municipalities in marketing themselves for investment. This afternoon bonus session attracted some 40 attendees from the private sector and economic development community.

TRADE MISSIONS AND TRADE SHOWS – FY2010 Missions yielded a record \$23.75 million of projected export sales – more than the previous 3 years combined

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 FY2010, MITC organized the following international trade events: MEDICA (Medical and Biotech Industry Show) in Düsseldorf, Germany; the Vietnamwood Trade Show; Gulfood in Dubai; and the Gubernatorial Trade and Energy Mission to Spain and Germany. Maine companies projected export sales of nearly \$24 million as a result of their participation in these events. MITC also participated as part of the Eastern Trade Council's spring 2010 mission to Turkey, with three Maine organizations exploring the market, including two private secondary schools.

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 in 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 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; Perkins Olson; Pierce Atwood; Reed & Reed; 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. In 2010-2011, MITC will begin a full-scale foreign investment attraction program in Europe based partially on contacts made through this mission.

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 with 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. Eleven 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 Show – February 2010: Gulfood in Dubai,U.A.E.

Following the success of the 2009 show and continued interest from the industry sector, MITC led a group of Maine food companies to Dubai for the second year in a row for Gulfood 2010. 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). Gulfood represents the largest food industry trade show in the Middle East.

MITC booth space allowed participating companies to display products, sample products, and interact with buyers and distributors from the Middle East to gain firsthand experience and market

assessment. LaBree's Bakery was participating for the second time, Gladstones Under the Sun for the first time, and for the first time the Wild Blueberry Association has their own booth space. In addition to the trade show, companies also participated in country briefings, supermarket tours, and one-on-one pre-arranged meetings with buyers from the U.A.E. and India through Food Export USA.

This year's delegation/company participants were focused within the blueberry industry. Blueberries were a key ingredient for some of LaBree's product line and primary ingredient for Gladstones Under the Sun. The Wild Blueberry Association was there promoting blueberries "generically". Buyer attendance at the trade show was over 57,000 – a 24% increase over last year's show. Gulfood continues to be the leading trade show within the region and now is one of the leading food shows globally. The food sector in the Middle East continues to grow as does the demand for food and agriculture products.

Interest in the MITC booth and companies represented was very strong once again; as evidenced by the number of serious leads, foot traffic at the booth, buyer feedback during one-on-one meetings, and estimated sales for the next 12 months.

Trade Mission – March 2010: Eastern Trade Council Mission to Turkey

From March 13-19, seven Northeast U.S. companies, including three from Maine (Dielectric, MCI, and Lee Academy) participated in an Eastern Trade Council (ETC) export trade mission to Turkey. The mission delegation traveled to two major Turkish commercial centers, Istanbul and Ankara. The Eastern Trade Council is a cooperative export promotion program of the ten northeastern states and the Council of State Governments-Eastern Region Conference.



The goal of the mission was to create employment in the northeast region by increasing export sales and to assist regional companies to be more globally competitive. The Turkish market offers many opportunities for U.S. manufacturers and service providers. For most of the companies, this was their first visit to Turkey and the mission provided an important fact finding venue.

Participants of the ETC/MITC export mission received a schedule of customized one-on-one business appointments based on their individual objectives and requirements. MITC and the other state organizations partnered with the United States Commercial Service in both cities to schedule the appointments. Using their extensive databases of local businesses, trade specialists in the U.S. Commercial Service conducted research and marketing campaigns to find highly qualified business counterparts for the ETC companies and scheduled one-on-one meetings.

Companies were selected to participate in trade missions based on the market potential for their products or services in the targeted country. All participating companies paid a participation fee and covered their own travel and accommodation expenses.

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 \$900 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, business immigration, and developing new regional markets inside Canada. More than 75

businesses received technical assistance from the Canada Desk in 2010. Canada-based activities in 2010 included: speaking at International Business Study Classes at the University of Maine; the "Capturing the Canadian Consumer" and "Hydro Quebec & the Eastern Canadian Energy Dynamic" education programs hosted by MITC; attending the World Energy Forum in Saint John, N.B.; and serving on the Access Atlantica steering committee.

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 FY2010, 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). In addition to responding to client questions on doing business throughout Asia, activities in FY2010 included: the Vietnamwood Trade Show; the Trade Education programs "Business Briefing on South Korea," "Doing Business in China's 'Tier 2' Cities," and "From Bangalore to Bangor: Attracting Indian Students to Maine Schools"; and co-hosting a Korean Roundtable with the World Affairs Council.



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 continued to serve 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.

In 2009, the Trade Center began to ramp up its activities in the area of foreign business attraction, specifically in positioning Maine as a center for renewable energy investments.

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

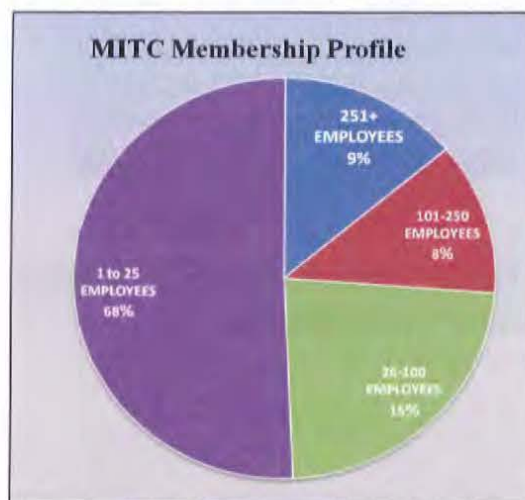
Beginning in early 2010, the Trade Center began development of a more formalized program, with funding from the Maine DECD, the Maine Technology Institute, and the private sector. A series of roundtables were convened to solicit input from private sector entities and in September, MITC contracted with a Maine-based consultant to begin the process of proactively marketing the state in Western Europe, Korea, and Japan.

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-up 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 5 trade specialists, 2 support professionals, and a cadre of interns.

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.

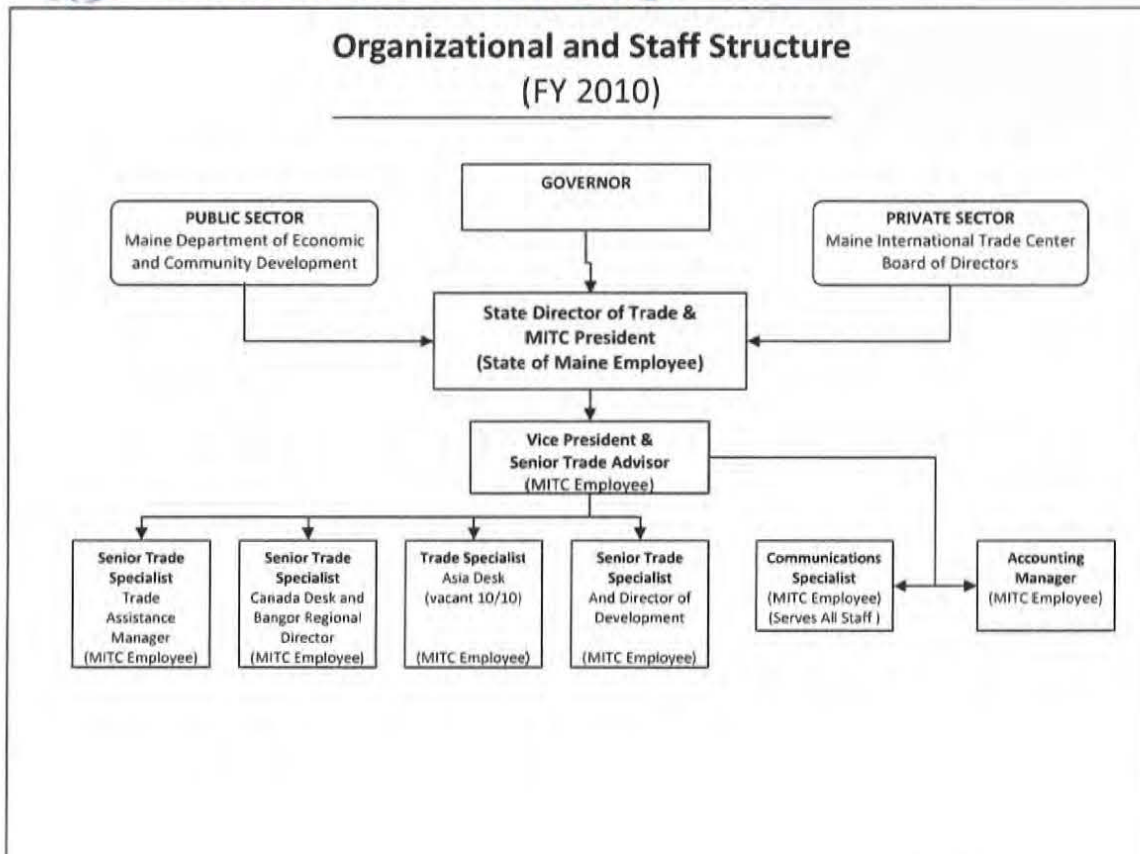
2010 Staff Organizational Chart



MAINE INTERNATIONAL TRADE CENTER

Global Resources. Local Expertise.

Organizational and Staff Structure (FY 2010)



MITC Technical Assistance Staff Areas of Expertise

Name/Title	Geographic & Industry Areas of Expertise	Other Duties
Janine Bisailon-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, StudyMaine Coordinator
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
Bryan Bozisk Senior Trade Specialist	Central & Eastern Europe / Medical Products, Biotech	Trade Assistance Manager, Intern Coordinator
(Vacant 10/10) Trade Specialist	Asia Desk	

2009 MAINE TRADE STATISTICS

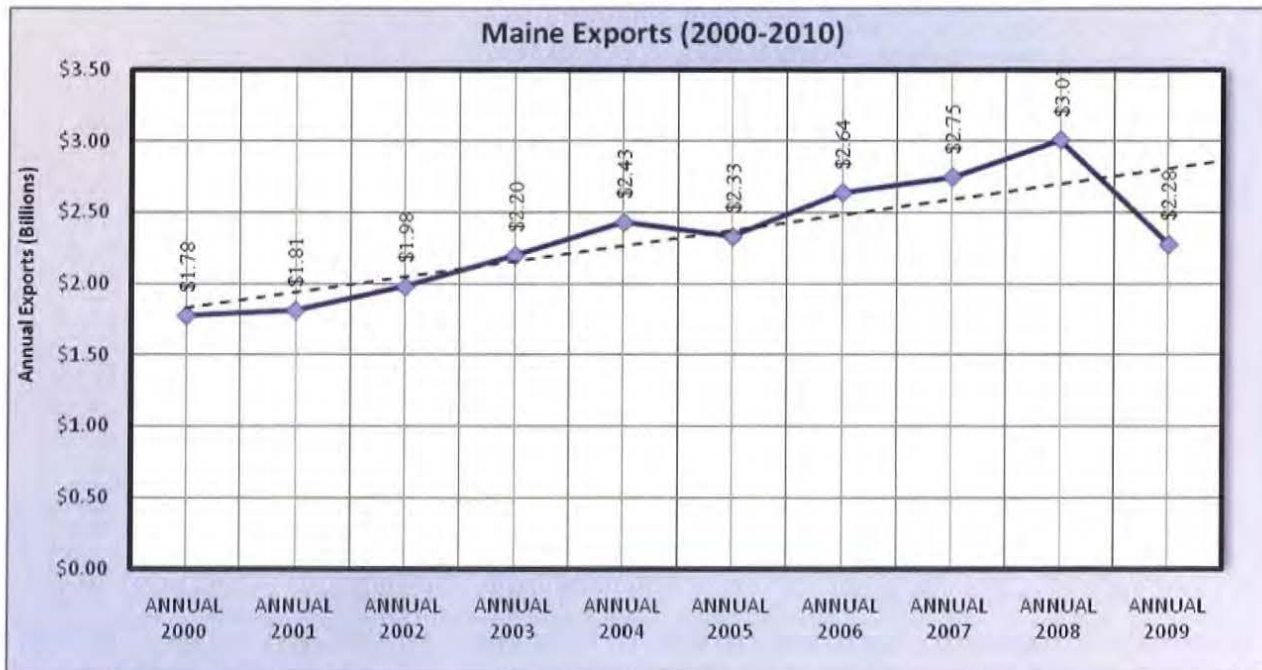
EXPORTS

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.

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

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



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 2009

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 \$2,800 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 FY2010 BENCHMARKS

The following benchmarks include many of the statistics contained in this report.

The data corresponds to FY2010 at MITC, as the Trade Center follows the same fiscal year calendar as the State of Maine.

MITC Benchmarks FY2010 (July 1, 2009 – June 30, 2010)

Year in Review: MITC Trade Education Programs	FY2007	FY2008	FY2009	FY2010
Number of programs	13	14	16	13
Total number of participants attending	661	639	686	612

Year in Review: MITC Membership	FY2007	FY2008	FY2009	FY2010
Number of Members	307	310	307	286

Year in Review: MITC Research/Consulting	FY2007	FY2008	FY2009	FY2010
Number of Inquiries/Trade assistance provided	1078	1134	1207	1288

Year in Review: MITC Trade Missions/Trade Shows	FY2007	FY2008	FY2009	FY2010
Number of trade missions/Trade shows	5	6	3	3
Total number of participants in trade missions	16	45	22	24
Total dollars in reported sales	\$2.8M	\$9.5M	\$9.8M	\$23.8M

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 2010-2011 focuses on several industry sectors, and emphasizes the need to build on our areas of strength, continue momentum on emerging sectors, and seize opportunities through new initiatives. Each area of focus is identified as having high potential for export growth and/or foreign investment.

MITC's 2010-2011 Strategic Plan: At a Glance

Building on
traditional areas of
focus

- Food and Beverage Products
- Wood and Forest Products

Continuing
momentum on
emerging sectors

- Biotechnology
- Renewable Energy

Seizing
opportunities
through new
initiatives

- International Education
- Foreign Direct Investment

MODERN FOCUS ON TRADITIONAL INDUSTRIES

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).

Recent activities within these sectors included: participation in the 2010 Gulfood Trade Show in

the United Arab Emirates; attendance at the Natural Products Trade Show in Boston; the International Boston Seafood Show; a MITC education program with Food

Export on French market opportunities; and hosting an industry roundtable discussion with representatives from NOAA and the FDA discussing new EU health certificate changes.

MITC also enjoys a close working relationship with the Maine Department of Agriculture and 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.

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 will be attending the Food Export Marketing Forum in September 2010 in Chicago, meeting with over 19 in-country representatives from around the world to determine FY2011 opportunities and potential overseas efforts with the food and seafood sectors.

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 \$378 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, the United Arab Emirates, and Vietnam. MITC also participated in the Pulp & Paper Foundation annual meeting at the University of Maine.

The Trade Center 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 led a delegation to an outdoor furniture and garden products trade show in Birmingham, England in September 2010.

Biotech and Medical Device Opportunities

Over 230 Maine bioscience companies operate in Maine, generating \$1.6 billion in revenue and employing over 6,000 people. Bioscience companies – referring to biotechnology, medical device, and scientific instrumentation companies – exported \$100 million of manufactured goods to approximately 100 different territories in 2009. Key markets in 2009 were the European Union, Japan, China, Brazil, South Africa, and the Middle East. Foreign investment has accelerated in these Maine industries as well, with Swiss, Swedish, and UK-based investment supporting employment growth and increasing foreign market access.



Annually, MITC works in tandem with other New England state trade offices as “Best of New England”. “Best of New England” organized a fifth consecutive exhibition at MEDICA 2009 in Düsseldorf, Germany. As the largest and most expansive medically themed trade show in the world, this exhibition provides an excellent stage for innovative Maine technologies. Maine exhibitors reported the most successful MEDICA exhibition to date in terms of projected revenues because of the show. MITC is leading the execution of the “Best of New England” pavilion at MEDICA 2011 in November 2011.

In 2010, MITC was recognized for their contributions and support of this industry, and accepted a seat on the Board of Directors of the Bioscience Association of Maine (BAM, formerly Biotechnology Association of Maine). The Trade Center will continue to work with BAM as it continues to expand its support to Maine medical device companies with its new strategic vision. MITC will also continue to partner with growing small manufacturers and researchers in this field as they grow their international business, providing the market research and technical assistance necessary for success. Additionally, new markets for exhibition opportunities, such as the Middle East or Asia, will be investigated for future activities.

Renewable Energy

Renewable Energy was a key focus industry in FY2010, and will continue to be in future years. In October 2009, MITC executed a Gubernatorial Trade Mission to Spain and Germany, with a focus on wind power. Local industry experts worked for weeks to prescreen potential customers for the Maine businesses and organizations. More than 100 matchmaking meetings were held and Maine companies reported \$21 million in projected sales over the subsequent 12 months as a direct result of the meetings.

Domestically, MITC coordinated an executive briefing at the American Wind Energy Association's Offshore Conference in Boston in the spring. It produced a 2010 Maine Renewable Energy Investment Guide for distribution at overseas events and for the incoming delegations it hosted. A program featuring Hydro-Quebec & the Eastern Canadian Energy Dynamic was held in February.



Several European investment groups visited the state in FY2010, with the goal of exploring opportunities in Maine's wind energy and composites industry. To continue the momentum of these visits and the 2009 trade mission to Spain and Germany, MITC has included the renewable energy manufacturing sector as one of its target markets for the new *Invest in Maine* initiative described below.

INTERNATIONAL DEVELOPMENT OF EMERGING OPPORTUNITIES

International Opportunities for Educational Institutions



StudyMaine

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.

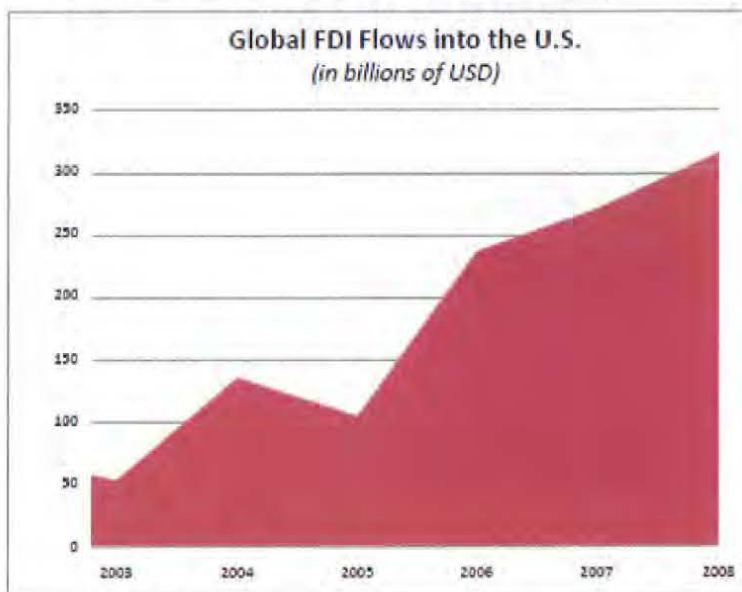
In early 2010, MITC launched the StudyMaine initiative, which seeks to proactively market the state's educational institutions to students worldwide. As of October 2010, fifteen schools from all across Maine, at both the high school and university levels, had signed up as part of the consortium. In September 2010, StudyMaine's web portal officially launched, and will be followed by an education-based program in January 2011 and an overseas trade mission to South Korea in mid-March 2011.



Foreign Direct Investment Attraction: *Invest in Maine* Initiative

Foreign entities invested over \$316 billion in US companies in 2008, more than triple the investments made in 2005. The US market remains attractive to foreign investors due to relatively favorable exchange rates, a stable financial system, and ultimately Americans produce high quality products and understand that R&D efforts are key to long-term growth prospects.

Maine is an attractive place for FDI due to its proximity to key transportation hubs; quality workforce; and proactive state economic policies that embrace job creation and R&D. Over the past several years, companies from York to Madawaska have experienced the benefits of FDI. Despite past success, FDI attraction in Maine has not grown as fast as the rest of the country, as most of the dollars have gone to US states with active FDI attraction efforts. For the past several years, Maine has been one of a few states without a dedicated FDI program.



In September 2010, MITC launched the *Invest in Maine* initiative designed to attract foreign investment dollars to Maine. This initiative is a collaborative effort of the Maine International Trade Center and several organizational and corporate partners funded by contributions of its members and a grant from the Maine Technology Institute.

The initial focus areas for *Invest in Maine* are Maine's advanced materials and renewable energy sectors, economic clusters that are currently experiencing high growth and have high demand for capital investment. The first steps of this initiative lay the groundwork for establishing an on-the-ground presence in key investment markets in Europe and Asia, and connect Maine businesses looking for capital investment. The ultimate of this initiative is to create a self-sustaining international foreign investment presence for the State of Maine that can be utilized by all growing industries in Maine.

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, as well as online program registration.

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