

Bangor Daily News

LePage to lead trade mission to Brazil, Chile

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June 28, 2011

Gov. Paul LePage will lead his first international trade mission this fall, visiting Brazil and Chile with a delegation of Maine businesses.

The group will visit Sao Paulo, Brazil and Santiago, Chile, and will be first trip to South America by a Maine governor since 1997.

“We have received great interest in these developing markets from Maine’s internationally active businesses,” said LePage in a release put out by the Maine International Trade Center on Tuesday. “I look forward to leading this mission to not only open up new markets, but to attract investment and jobs into our state.”

The mission will run from Nov. 12-19, according to the MITC.

The mission will be coordinated by the trade center. In the past, governors have lead trade missions to Ireland, England, France, Ireland, Germany, Spain, Canada, South Korea, Japan and other countries.

Maine’s international exports have grown 76 percent over the last 10 years. The state saw a 41 percent growth in international trade in 2010, the second-highest rate in the nation. The state’s export sales totaled \$3.15 billion last year.

Each company that goes on a gubernatorial trade mission pays for its own employees, and the costs also cover the expenses of the governor, his staff and the MITC staff. Typically, having the state’s top executive on the mission opens doors for companies seeking to open or broaden their markets.

Brazil is Maine’s 14th largest export destination, with paper products, electrical machinery and chemical products from the state heading south of the border.

Brazil is the world’s eighth largest economy, with an annual gross domestic product of more than \$2 trillion. The U.S. Department of Commerce has identified a number of market opportunities

in areas including biotechnology and medical products; aircraft and automotive components; food-seafood products; oil, gas, and renewable energy; environmental technologies and tourism.

Maine currently does scant exporting to Chile, roughly \$3 million a year, and that's in paper, textile arts and industrial machinery, according to MITC statistics.

However, the trade center noted in the release, many trade experts view Chile as South America's most economically and politically stable nation. The economy there has grown rapidly, with a 5.3 percent expansion in 2010. The United States-Chile Free Trade Agreement has been in effect since 2003, and American exports to that market have expanded by 300 percent since that time.

"I think the Chilean market will be a great fit for Maine companies," said MITC President Janine Bisailon-Cary. "Chileans value the quality and integrity of U.S. made products, and with the free trade agreement and low U.S. dollar we have advantageous duty and exchange rates in place for the mission."

Wade Merritt, vice president at MITC, said he hopes to see about 25 companies signed up to be part of the delegation to South America. For companies that are members of MITC and plan to take part in match-making sessions with potential target companies, the cost will be \$6,900, and that will cover all expenses, Merritt said. For companies that aren't seeking match-making services, the cost will be \$5,400, he said.

One company considering taking part in the gubernatorial trade mission is Matthews Brothers, a 157-year-old window manufacturer based in Belfast. Bob Maynes, director of marketing and international sales at the company, said another company executive had joined Gov. John Baldacci on a trade mission to Asia four years ago.

"That was enough to get the wheels turning, to show we needed to look outside of our shores," said Maynes.

The company is exploring the South American market, though Maynes declined to name specific countries. A tiny percentage of the company's products ship overseas, said Maynes, and the company is seeking to change that.

He explained the company employs about 120 people year-round, ramping up to about 140 from April to November. From December through the end of March, the company goes into the doldrums: the construction season slows in the winter, and the market for windows dries up.

But in South America, the opposite is true — their summer months are our winter months.

"Their sine wave is opposite ours," said Maynes.

If Matthews can open up that market, it would mitigate the slow times in Maine, he said.

Ahead of the mission, MITC is holding a workshop on July 19 on the potential of the Brazilian and Chilean markets, with guest speakers Matthew Hilgendorf, commercial attache at the U.S. Embassy in Chile, and Dr. Patrice Franko of Colby College, who specializes in the Brazilian economy.