

GLOBALVIEW

THE NEWSLETTER OF THE MAINE INTERNATIONAL TRADE CENTER

Maine Businesses Show Increased Interest in Asia

From Korea to Thailand to cities throughout China, Maine businesses are increasing their interest and involvement in Asia. Over the past few years and few months especially, Maine International Trade Center (MITC) has noticed greater interest, through a more diverse group of markets within East and Southeast Asia, with increased business action both for export and investment. Exports from Maine to Asian markets have increased 26% this year. Through trips overseas, visiting delegations and continuous education programs, we continue to narrow the distance between Maine and Asia.

Most recently, there have been a series of seafood and fishery related trade shows in China that have been well attended by Maine businesses. In September, four Maine seafood companies participated in the Asian Seafood Exposition in Hong Kong. The delegation also toured seafood shows in Bangkok, Thailand and visited Hangzhou and Shanghai in Mainland China. On the heels of their successes in Hong Kong, additional Maine-based seafood distributors made the decision to add the China Fisheries and Seafood Expo in Qingdao, China to their schedule last month. This is the largest show in Asia and according to MITC member and participant, Emily Lane of Calendar Islands Seafood.

“The attendance at the show was phenomenal and mind-boggling,” Lane said. “According to the show organizers, this was a record-setting show with more than 800 companies exhibiting and a record 15,300 visitors attending. Demand for seafood is exploding in China, and the Chinese market is becoming increasingly interested in high-end seafood products and, of course, lobster.”

Trade shows are not just for seafood, there is one for nearly every industry sector. With diligent research and support from MITC resources, you may find one for your industry to help you break into new markets in Asia.



In addition to Maine businesses visiting foreign markets, several of our Asian trading partners visited Maine this year to meet with local legislators and business people to make connections and explore investment, development and collaboration opportunities. MITC has hosted visiting delegations including: the Korean Ambassador to the US; a group of state businesses from China's power grid and food distribution industries who came to meet with local businesses about investment and distribution opportunities in China; and a group from Maine's sister state of Aomori Prefecture in Japan, hosting an energy research exchange discussion. Most recently, MITC staff met with Thailand's Minister of Commerce to explore expanding trade opportunities between Maine businesses and Thailand.

With Trade Shows and visiting delegations, in addition to MITC's Education Program series which features an upcoming 3-program series focused on Asian Markets, Asia provides a diverse and continuously growing market of opportunities for Maine companies in the years ahead.

Table of Contents

Sustaining Members	2
Roundtable Members	2
President's Letter	2
Canada Desk	3
MITC at MEDICA	4
New MITC Resource	4
Member Profile	5
Trade Mission	6
Asia Desk.....	7
Upcoming Programs	8

New Members

Priority Group LLC
Topsham, ME

Everborne Consulting Group
Rockport, ME

Bourdeau LLC
Bath, ME

Hydrogen Energy Center
Cape Elizabeth, ME

Mad Gab's Inc.
Westbrook, ME

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For information about the Trade Center, or to be placed on our newsletter mailing list, please contact our office.

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PRESIDENT'S PAGE

Dear Members and Friends of the Maine International Trade Center,

Many thanks to all of you who participated in our Fall programs and overseas events. The Trade Mission to Chile and Brazil was particularly successful with over 105 matchmaking meetings organized for our eleven participating companies. Everyone had extremely busy schedules and came away with great contacts for these developing South American markets. The MEDICA Trade Show in Germany has become one of our longest-running trade shows where we have a MITC presence in the Best of New England booth. Even with the challenges in the European economy, this continues to be one of our best shows in terms of continuous export sales and key contacts.

As you can see on the back page of this issue, we have a number of exciting programs coming up in 2012: our winter Asian markets educational series, our joint Canadian Cross-Border Summit scheduled for April in Orono, and Better by Design: Innovation for Global Markets – the theme of Maine International Trade Day 2012 – on May 24th at the Samoset Resort. For those of you involved in innovation engineering and product design, we encourage you to reach out to the Trade Center in the upcoming months. We want to be sure to include all in the development of what promises to be a great event.

Don't miss this month's member profile of GAC Chemical Corporation. Not only is GAC adding new and exciting capacities to their chemical manufacturing and distribution business, but they are increasing their global reach in their import and export markets. These are exciting times for Maine's logistics developments. In addition to GAC's logistics improvements in Searsport, Port of Portland is building up its weekly container shipments of both refrigerated and dry products; Port of Eastport has recently added to their wood chip logistics capacities with new bulk storage and bidirectional conveyors; and there is a renewed effort to leverage Eastern Maine's transportation assets for global trade and local economic growth centered around the Port of Searsport and the Bangor International Airport.

Wishing you all a wonderful and prosperous new year!

Happy Holidays from all of us at MITC,

Janine Bisailon-Cary
President

GLOBALVIEW

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Nova Scotia Wins \$25 Billion Navy Defense Contract

Halifax's Irving Shipbuilding is getting the \$25-billion contract to build 21 Canadian combat ships and Vancouver's Seaspan Marine has been awarded an \$8-billion contract for seven non-combat vessels, the federal government announced October 19th. The selection of the two shipyards to rebuild the fleets of the Royal Canadian Navy and Canadian Coast Guard represents the largest procurement in Canadian history. The ships (frigates, supply ships, patrol boats and icebreakers) will cover Canada's naval and coast guard needs for the next three decades.



Economic Impact

The \$25-billion contract, awarded to Irving Shipbuilding Inc. of Halifax, calls for construction of about 20 vessels, including frigates, destroyers and patrol ships. While reporting of the economic impact is early, most are projecting the province of Nova Scotia will create 11,500 jobs and almost \$900 million real GDP during the peak production years of 2018-2020. TD Economics forecasts that the province's unemployment rate will fall to 8.5 per cent in 2013 — the lowest since 2006.

In its report entitled *Sovereignty, Security and Prosperity*, the Canadian Association of Defence and Security Industries (CADSI) has estimated that government ship projects would directly and indirectly contribute over \$2 billion in annual economic benefit and 15,000 jobs over the next 30 years. The work involved will be spread over a wide spectrum of sectors across all regions of Canada, not only the shipbuilding industry.

“This project has a definite east coast flavour and will provide a direct boost to many areas as suppliers begin to line up for this project and indirectly as a re-energized Nova Scotia economy begins to demand more goods and services from neighbouring jurisdictions,” said Fred Morley, Executive VP and Chief Economist of the Greater Halifax Partnership.

An End to Outmigration?

Outmigration is a key contributor to the decline in Atlantic Canada's population. The Atlantic Provinces Economic Council says in an analysis released Monday that the region has lost population because of outmigration, with an estimated 340,000 people (14% of the population) moving to another part of Canada since 1997. That represents a net loss of 72,500 people to other parts of Canada, enough to reduce the region's population by 2%, says the study, which uses Statistics Canada data. Outmigration rates are particularly high for young people: over the 10 year time span, the Atlantic region lost about 10% of its population in the 15 to 34 age bracket. This contract will hopefully begin to reverse this trend and bring Atlantic Canadians back. Jim Irving, the head of Irving Shipbuilding, said “What this means is we've got a long-term, stable outlook. These are big, capital-intensive jobs. When you can plan these long-term jobs out in the future, it gives you great stability. It means we'll develop our workforce, our young people, our community colleges, developing young skilled trade's people, bring the folks back from out West.” (*CBC News, October 19, 2011*)

Opportunities

Work is underway to finalize agreements with the government and negotiate contracts in 2012 for the first project in each package of work. An estimated 30% of the \$25 billion project value will be imported. Scott Jamieson, Irving's new Vice President of Programs, outlined on November 18th the process Irving will use in hiring suppliers for the \$25-billion shipbuilding contract. According to Jamieson, Irving plans to have a website or registry set up by the end of this year where companies interested in being a supplier to Irving throughout the shipbuilding process can register and check off what items they are interested in supplying.

For additional information, please contact Jeff Bennett, Canada Desk Director at (207) 541-7400 or jbennett@mitc.com

The Canada Desk
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MITC MEMBERS AT MEDICA

Maine International Trade Center (MITC) participated as a part of the Best of New England booth for the sixth consecutive year at MEDICA, the largest medical trade show in the world. MEDICA has approximately 200,000 visitors and is held in Düsseldorf, Germany every November.

A collaboration between the State trade offices of Connecticut, Maine, New Hampshire, Rhode Island, and Vermont, the Best of New England booth accommodated a total of 9 companies. The three Maine companies that participated were Artel, BioProcessing, Inc., and Lighthouse Imaging Corporation.

Dennis Leiner of Lighthouse Imaging Corporation said “Having a presence at MEDICA made a big difference for a small company like Lighthouse Imaging. We were able to focus on sales and business development without worrying about logistics and other details. It was convenient and cost effective to locate in the Best of New England booth.”



From left, Conrad Maurais from BioProcessing, Inc., Zeynep Turk from Maine International Trade Center, and Mark Waite from Lighthouse Imaging Corporation in the Best of New England Booth at MEDICA.



During a workshop last month, MITC President Janine Bisailon-Cary answered questions from participants regarding MITC's enhanced relationship with the U.S. Small Business Administration.

MITC Adds New Databases to Resource Arsenal

Maine companies looking for new international markets and customers now have an additional resource through Maine International Trade Center.

MITC recently secured a one-year subscription to StatsPlus and Prospects, two of PIERS most useful international trade databases. PIERS, a division of UBM Global Trade, is a trade intelligence and data aggregator that compiles oceangoing bills of lading. Both products will now allow Trade Center staff to assist companies in better targeting overseas customers by identifying buyers of specific products. Searches may be done by company name, commodity, HS or SIC code, and/or country of destination.

MITC purchased the subscription for PIERS with funding from the recent STEP grant from the U.S. Small Business Administration. For more information, or to request a customized search, please contact your MITC Trade Specialist at (207) 541-7400 or carpenter@mitc.com.



MEMBER PROFILE

“Maine’s Chemical Company” Grows Global with Exporting, Importing, and Logistics Services

Introduced as “Maine’s chemical company” to Governor Paul LePage during his recent visit to Searsport, GAC Chemical Corporation’s management team is looking ahead with strong global aspirations for growth based on competitive advantages in exporting, importing, and logistics services.

“Our future potential is definitely tied to growth in both exporting and importing,” David Colter, President and COO, commented. “It’s clear that opportunity for us is global.”

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,” Colter added. “And by 5 years out, the goal is 20%. That’s why we joined MITC.”

While the ammonium sulfate product in liquid form is somewhat limited to regional sales that can be transported via tanker truck or rail cars, GAC has previously exported the product in dry form to Argentina, France, and the Netherlands.

Vice President of Sales & Marketing John Wolanski believes that the export market for GAC could grow significantly in Europe due to the REACH Program standards being implemented. (REACH is the European Union Regulation on chemicals and their safe use.)

“We follow the 12 principles of green chemistry established by the Environmental Protection Agency (EPA),” Wolanski explained. “We’re branded on product quality and purity. Stricter regulations are not a barrier for us in terms of international trade. Standards like REACH give GAC a market advantage.”

In addition to exporting various products to Canada, China, France, and Saudi Arabia, GAC is beginning to import raw materials from China, India, Korea, and Taiwan.

According to Wolanski, one of the major challenges that GAC faces is determining the fastest and cheapest way to get raw materials from suppliers in Asia and Europe to their facility. “It’s a constant struggle to create the best global logistics route because things are changing all the time,” Wolanski said. “I hope that MITC will be a valuable resource in helping us to stay on top of those changes that might impact our business.”

Read the full article with additional photos online at www.mitc.com

FEATURED MEMBER

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. MITC welcomed GAC as a new member in September 2011.



With rail service by Montreal, Maine & Atlantic Railway and the future potential for ocean cargo shipments, GAC recently launched a Logistics Solutions division.



Transportation Manager Tim Turner (left) and Vice President of Sales & Marketing John Wolanski stand before more than 1,000,000 pounds of high purity ammonium sulfate. The finished product, a white dry powder substance similar in appearance to table salt, is a key overseas export for GAC.

CHILE-BRAZIL TRADE MISSION

On November 12-19, Maine International Trade Center staff led a successful Trade Mission to Chile and Brazil. Eleven Maine companies participated in 105 export matchmaking meetings over a 5-day period. State of Maine networking receptions were held at the Ambassador's residence in Santiago, Chile and the FIESP trade association headquarters in São Paulo, Brazil.

The 2011 State of Maine Trade Mission delegation to Chile and Brazil included representatives from: Auburn Manufacturing, Inc. (Mechanic Falls), Bernstein Shur (Portland), Falcon Performance Footwear (Auburn), Hydro International (Portland), Invest in Maine (Portland), Mathews Brothers (Belfast), Packgen/Global Import-Export Solutions (Lewiston), Southworth International Group (Falmouth), Tex-Tech Industries (North Monmouth), and Yale Cordage (Saco). In addition, Hebron Academy (Hebron) and Maine Central Institute (Pittsfield) participated on the mission as part of the StudyMaine program, which seeks to attract more international students to the state.



Above: Fred Lipp, of Bernstein, Shur, Sawyer & Nelson (center) and Kathie Leonard of Auburn Manufacturing Inc. (right) meet with a Brazilian businessman at the State of Maine Reception in São Paulo, Brazil.

Left: MITC President Janine Bisailon-Cary and Thomas Zamotto, Director of Foreign Relations Department, FIESP, Business & Industry Association, during the State of Maine reception in São Paulo, Brazil.



Working with China: Know Your Resources

If you're an entrepreneur, you've likely seen or been a part of this scenario: your business is growing, things are going well here at home, and you are confident with your decisions. Yet it seems that every time you turn on the television or open the newspaper, there is a new story about business owners just like you who have found a way to increase their successes by expanding to foreign markets. The big one right now: China.



China is no longer a wild west of designer knock-offs and cheap DVDs or just a place where we get our products manufactured. China, a fast-growing market with new moneyed consumers, is now filled with more sophisticated manufacturers and capital-rich potential investment partners. So what does this mean for you? How do you get started? First, you should know there are resources available to help you, on both a state and federal level, and you should use them.

Second, keep in mind that distance or no distance, you don't want to go into any sort of business relationship without knowing your partners. The best way to begin building solid partnerships is to meet with potential partners face to face. For exporters, the U.S. Commercial Service provides a matchmaking service to help facilitate export partnerships. These services do the background research and initial contacts for you to get you in the door and make face-to-face contact with distribution partners on the ground.

If you are looking for China-based manufacturing partners, consider and weigh all the benefits versus risks to make sure you're making the right decision both for safety and quality of product. The most important thing you can remember is to check and recheck the references and resources for manufacturers that you may be interested in working with. If you are approached by a company in China, ask for references and contact MITC for guidance on researching the company.

While it is important to know the law governing any business contract that you may sign, do not rely on it to protect you if something goes wrong. "Having a solid, legal contract in place is just the base foundation," according to Attorney Kim Newby at JurisN. "To build on that, add to your contract economic incentives, such as larger future orders or early delivery bonuses, to encourage timely and quality performance and disincentives for late performance or when product does not meet your requirements."

Finally, be confident, and don't be afraid to move slowly. This is your business and your venture so you should set a comfortable pace. Most importantly, don't feel you need to (or should) tackle the world's fastest growing business market without help.



China Revisited: Economic Overview and Key Trade Resources

Wednesday, January 25, 2012 • 1:30 pm – 4:30 pm • Inn at Brunswick Station, Brunswick

With a new 5-year plan released by the Chinese government, a constantly evolving global economic picture, and an increasingly globalized business climate, China is a market that Maine businesses not only want to understand but truly need to understand.

This program focuses on key economic concerns for exporters and importers, advice and tips on sourcing partnerships, and available local, federal and international resources. Learn how you can best use these resources to your advantage to introduce or grow your business in the Chinese market in the year ahead and beyond.

Presenters include experts from Ex-Im Bank, Hong Kong Trade Development Council, Maine International Trade Center, and U.S. Department of Commerce. Sponsored by TD Bank as part of the Central Maine Program Series. Learn more and register online at www.mitc.com

For more information about this or additional Asia focused trade information contact Asia Desk Director, Tory Atwell at atwell@mitc.com or (207)553-7713.

Upcoming Maine International Trade Center Programs

**China Revisited:
Economic Overview and Key Trade Resources**

Wednesday, January 25, 2012
1:30 pm – 4:30 pm

Inn at Brunswick Station, Brunswick

**Cross-Border Economic Integration
in the Northeast:
Current Status, Future Prospects**

April 23-24, 2012

University of Maine, Orono

Maine International Trade Day

Better by Design: Innovation for Global Markets

Thursday, May 24, 2012 ~ Samoset Resort, Rockport

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