

GLOBALVIEW

MAINE INTERNATIONAL TRADE CENTER QUARTERLY NEWSLETTER

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MAINE IS INTERNATIONAL: Focus on Gorham

Located just west of Maine's largest city (Portland), Gorham has evolved from a largely agriculture-based small Maine town to a powerful economic center. With a current population of around 17,000, Gorham is the 14th largest municipality in Maine. The town has experienced significant growth and development over the last two decades. Home to Sebago Brewing Company and the University of Southern Maine, here's a look at what international business means for two MITC member companies located in Gorham.

Flowfold

Less than a decade ago, the founders of Flowfold were setting up a folding table on the sidewalk by the Maine State Pier in Portland, hoping to sell their light-weight and durable wallets to cruise ship tourists.

Today, Flowfold has a brand new 7,500 square foot facility in Gorham, eight employees, and an enviable customer base. 75% of their business comes from 18–34 year olds.

"Our demographic isn't just buying a product anymore," says COO James Morin. "They are buying into a mission and vision around sustainability and durability and minimalism."

Morin went to the University of Maine with the company's founders, Devin McNeill and Charley Friedman. Friedman was working at a sail loft in Yarmouth when his leather wallet fell apart. He spotted discarded racing sail fabric and decided to make himself a replacement wallet. The material was lightweight and stronger than steel. After making numerous prototypes, Friedman teamed up with some friends, and Flowfold became a company.



"It takes a fair amount of courage to be able to leave health insurance and a 401K and all the security blankets of a normal 9 to 5 and go head first into a start-up," said Morin.

According to the company, Flowfold makes every day adventure gear that's light, strong, and durable. Wallets are now just part of a full line of gear that includes backpacks, duffel bags, and other accessories.

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President's Corner

President's Circle Member

Bank of America

Director's Circle Members

Bangor Savings Bank

BerryDunn

Broadreach Public Relations

Chase

CIEE: Council on International
Educational Exchange

Consulate General of Canada - Boston

Eaton Peabody

IDEXX

KeyBank

Maine Department of Economic
& Community Development

Maine Technology Institute

Mainebiz

Suppi Fine Paper North America

TD Bank

Sustaining Members

Acadia Benefits

Allen Insurance and Financial

Baker Newman Noyes

Bangor International Airport

BDN Maine

Camden National Bank

Diversified Communications

Finance Authority of Maine

FirstPark Commerce Park

Geiger

Keypare Technologies

L.L.Bean, Inc.

Maine & Company

Maine Composites Alliance

Maine Manufacturing Extension Partnership

Maine Maritime Academy

Maine Port Authority

MEMIC

Nomad Pictures

Norman, Hanson & DeTroy, LLC

OCEANAIR Inc.

People's United Bank

Perkins Thompson

Pierce Atwood, LLP

Puritan Medical Products Company

Québec Government Office in Boston

Reed Exhibitions

Rudman Winchell

Sprague Energy Corporation

Tex Tech Industries

Texas Instruments

UK Department for International Trade

U.S. Small Business Administration

University of New England

Verrill Dana, LLP



Dear MITC Members and Friends,

The US Census Bureau 2018 export numbers are out, and despite the continuing unprecedented trade tensions, Maine exports grew by 4% — below the national average (+7%). This was a middle of the pack performance with Maine ranking 25th nationwide and 3rd in New England in export growth. Maine's top export industries remained lobster and forest products, and Canada remained the state's single largest export market.

This issue's "Maine is International" feature takes us to Gorham and tells the story of two member businesses finding success in international markets. Montalvo Corporation is a long-established manufacturer whose membership pre-dates the founding of MITC in 1996 to our predecessor organization, the Maine World Trade Association. Flowfold is the relative newcomer that recently moved and expanded their operations just down the street from Montalvo in the Gorham Industrial Park. Two very different companies, and two very interesting stories. I hope you enjoy them.

Finally, mark your calendars for Maine International Trade Day on May 23 – 24 here in Portland. Join us as we explore a promising future for Maine's marine and forest industries with new technologies and development of value-added biobased materials that will impact many more industries from medical devices to fashion. For more information on Trade Day 2019, see page 5. Registration is now open on our website.

Enjoy the longer days of spring. We hope to see you in May!

Wade Merritt,

President and State Director of International Trade



Photo credit: Jason Levasseur, Bernstein Shur

Quebec's Tech Accelerator Members Visit Maine

Governor Janet T. Mills and DECD Commissioner Heather Johnson extended a warm Maine welcome to more than 30 tech companies visiting from Quebec. Hosted by Bernstein Shur, the Quebec Government Office in Boston, and MITC, a briefing was held for the group of members from ACET, the University of Sherbrooke's business accelerator. The event included presentations from MTI President Brian Whitney and BioME Executive Director Agnieszka Carpenter, networking time to identify business opportunities, and a genuine desire for continued collaboration.

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Flowfold has utilized STEP Financial Assistance Awards administered by MITC to help grow its business in Japan and to exhibit for the first time at an international trade show with other Maine companies in a shared booth organized by MITC and Maine Outdoor Brands in Germany last year.

"It takes a big investment to expand internationally, and to have an organization like MITC offset some of that expense has given us the confidence and ability to get into these markets," continued Morin.

One of Flowfold's high profile customers, L.L.Bean, also has a presence in Japan. During his recent trip there, Morin says he rode around Tokyo in the L.L.Bean bootmobile, getting a small taste of fame as people stopped to take photos along the route. That experience was a long way from the folding card table in Portland's Old Port.



"We have big goals and aspirations," Morin says. "We want to feel fulfilled, we want to feel grateful, but we also need to keep our foot on the gas."

Montalvo Corporation

The Montalvo Corporation makes brakes for the web. Not the brakes or web you are probably thinking of though. This family-owned company in Gorham manufactures brakes for a variety of industrial machines that require tension control. Modern paper-making machines that create a continuous paper web are one example, as are machines used in producing plastics or carbon fibers.



"Really, it's any type of physical conversion of material (known as the web), that goes through some type of process," explains Montalvo Corporation CEO Robin Goodwin. "A big roll unwinds, goes through rollers and other operations, and gets wound back up into a finished product like paper towels or food packaging."

Montalvo's brakes ensure those materials have even tension throughout, a critical part of the manufacturing process.

Edwin J. Montalvo, Sr. started the company in 1970. A manufacturer's representative in New York City for most of his career, he was also an engineer. In his basement, he designed and built the prototype for the first air-cooled brake. Unable find any companies to back him, at the age of 57 Montalvo started his own manufacturing company, which he moved to Maine in 1976.

His design revolutionized tension control by switching the process from water cooling to air cooling. Montalvo Corporation developed a worldwide customer base and a reputation for quality.



Edwin Montalvo, Sr. ran the company until his death in 1985. His wife Margaret took the helm until she passed away in 2014. Now, their son Ed and daughter Midge are co-directors. Several years ago, the Montalvo family began looking to bring in someone from outside to run the company.

Robin Goodwin, who had spent the majority of his career traveling the world in global high-tech, was ready for a change but unsure if Montalvo was the right move.

“The biggest concern I had was being an outsider in a family-owned company,” Goodwin explained. “It was very different from all of the corporate experience I had. I wondered how this would work.”

Goodwin came on board in 2013 and says it has been the most fun he’s had in his career in the last 25 years.

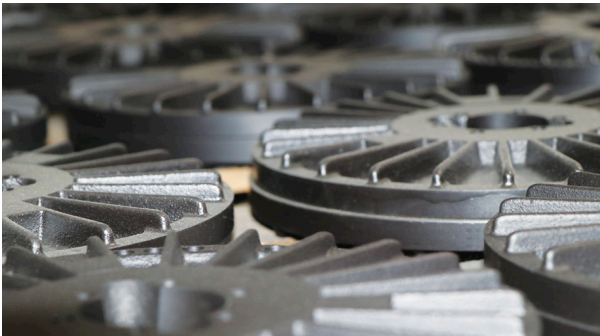
“This position allows me to work with individuals and small teams and watch the company develop and grow,” Goodwin says.



When Goodwin joined the company 6 years ago, international sales were about 20%. Last year, it grew to 30%, and he expects it to reach 40% in 2019. China and Europe are the company’s fastest growing markets, and they plan to explore India this year. Montalvo has products in about 50 countries across the globe.

“We consider MITC one of our best sources for what is going on with our international markets,” says Goodwin. “For example, we get updates on the counter tariffs being proposed by China, and we need those fine details because at the end of the day we need to know how that change could affect our products.”

Montalvo Corporation has 45 employees worldwide, including 6 in China who met with MITC representatives on a trade mission to Shanghai a few years ago.



“The Montalvo brand carries a lot of weight,” says Goodwin. “We can go into a remote part of the world, and people know our name. That’s a credit to the Montalvo family.”

When you are tasked with being the steward of that global reputation, the stakes are high.

Montalvo Corporation just closed on its biggest sale ever—a half-million-dollar order for a company in Sweden that specializes in subsea cables. That order for a custom load cell is representative of the success Montalvo

Corporation is having with its newer electronics-based products like load cells, tension controllers, and amplifiers. In fact, nearly 70% of company revenue is now generated from electronics.

According to Goodwin, that sale was a sign the company continues to thrive on the same principles it was founded upon, engineering and innovation.

Trade Day 2019 Speakers and Award Winners Announced

The 39th annual Maine International Trade Day will be held on May 23 & 24 at the Holiday Inn by the Bay in Portland.



MAINE INTERNATIONAL
TRADE DAY

Maine's Future in the Global Bioeconomy

The bioeconomy uses renewable biological resources from land and sea – such as fish, forests, and micro-organisms – to produce energy, food, and value-added materials. The wide array of biobased products include edible water bottles made from seaweed, compostable plastic bags, and apparel made from milk, wood, or coffee grounds. Moving from a fossil fuel to a biobased economy can help to slow the negative impacts of climate change and create new economic activity in and around rural regions.

Finland, the most heavily forested country in the EU, is a leader in the global bioeconomy. We are delighted to welcome Jaana Husu-Kallio, Finland's Permanent Secretary, Ministry of Agriculture and Forestry, who oversaw the transformation in Finland, as our Keynote Speaker along with a panel of Nordic experts, moderated by Biobased Maine Executive Director Charlotte Mace. Panelists are: Donna Cassese, Consultant Government Affairs, Sappi North America; Øyvind Fylling-Jensen, Managing Director, Nofima; Olavur Gregersen, Co-Founder & Managing Director, Ocean Rainforest; John Kettle, Director – Customer Solutions and International Relations, Natural Resources Institute Finland (Luke); Hordur Kristinsson, Chief Science and Innovation Officer, Matis (invited); and Petri Sirvio, Global Director Incubation, Business Development, Stora Enso.

Rich in natural resources, Maine is uniquely poised to capitalize on new and promising technologies. With implications beyond forest products and marine resources, the diverse range of biobased chemicals, fuels, plastics, and textiles being produced offer new opportunities for collaboration and innovation across all industry sectors. Consumer demand and willingness to pay more for sustainable products is growing around the world.

How can your business be part of this exciting global paradigm shift? Join us at Trade Day 2019 as we explore the potential to re-invent Maine's economy and position our businesses and research institutions as key partners in the global bioeconomy of the future.

Event Schedule at a Glance

Thursday, May 23

5:00 – 7:00 Opening Reception

Friday, May 24

8:30 – 9:00 Registration/Continental Breakfast

9:00 – 10:00 Welcome Address & Keynote Presentation

10:00 – 10:45 Panel Discussion

10:45 – 11:00 Break

11:00 – 12:00 Networking Session and New Product Global Showcase

12:00 – 2:30 Annual Awards Luncheon



KEYNOTE SPEAKER

Jaana Husu-Kallio

Permanent Secretary,
Ministry of Agriculture and Forestry,
Finland

2019 AWARD WINNERS

Exporter of the Year

Auburn Manufacturing, Inc.

Foreign Direct Investor of the Year

ND Paper/
Nine Dragons Paper Holdings

Innovator of the Year

Luke's Lobster Seafood Company

Service Provider of the Year

Thornton Academy

President's Awards

Charlie Emmons,
Finance Authority of Maine (FAME)
and
Michael Stone,
Stone & Associates

Future Global Leader Award

Apryl King

View the complete
event schedule and
register online at
www.mtc.com today!

WHAT'S INSIDE

MAINE IS INTERNATIONAL: Focus on Gorham

MAINE INTERNATIONAL
TRADE  DAY

Speakers and Award Winners Announced

**Advance registration
now open!**

WHAT'S AHEAD

Import Compliance

Tuesday, April 23

Abromson Center, University of Southern Maine, Portland

Export 101

Thursday, April 25

Bangor Region Chamber of Commerce, Bangor

Trade Day 2019:

Maine's Future in the Global Bioeconomy

Thursday, May 23 & Friday, May 24

Holiday Inn by the Bay, Portland

International Small Package Shipping

Wednesday, June 5

Live Webinar



2 Portland Fish Pier, Suite 204
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