

nternational update

Iowa Economic Development Authority

January/February 2012

## financial assistance changes

The State of Iowa offers financial assistance to Iowa companies that wish to enter or expand new markets. As these programs are now federally funded, companies need to be eligible under the federal guidelines (no longer state guidelines).

## **Eligible Companies:**

- Companies must qualify under the SBA size guidelines which can be found at www.sba.gov/size. A self-certification form is required.
- Companies must not be debarred from receiving funds from the federal government.
   A debarment form is required.
- Take the Export Assessment at www.export.gov and score a 66 percent or higher. A copy of the results is required.
- Provide a copy of your company's strategic plan for exporting or complete the approved export plan form.
  - \*\*SBA has announced the Fly American Act does NOT apply to these programs, so disregard past information requiring this component.

# Changes to the Export Trade Assistance Program (ETAP) guidelines:

- The state funding rules, listed below, do not apply to the current federally funded ETAP:
  - Participation in the same trade show not allowed in consecutive years
  - Participation in the same trade show a maximum of two times
  - One trade show in a specific country within same application period
- Companies need to display the SBA and Iowa
   Economic Development Authority logos in their
   booth and provide a photo of the booth and of
   this display when filing the claim.

Below is an overview of the financial assistance programs available to qualifying lowa companies to support their international marketing:

**ETAP –** The Export Trade Assistance Program (ETAP) has been expanded to a maximum of \$4,000, and companies may receive funding up to three times in a funding period. The funding period is also expanded to any events taking place between now and September 30, 2012.

**DTAP –** The Domestic Trade Assistance Program (DTAP) is a new program which offers financial assistance to eligible Iowa companies participating in a trade show with an international buyers program of the U.S. Department of Commerce or the Food Export Association of the Midwest, or a nationally recognized trade show, promoted internationally, with a demonstrated past significant international buyer attendance (pre-approval required). Companies may receive up to \$3,000 and may access funding up to two times in a funding period.

PTAP – The Product Trade Assistance Program (PTAP) is a new program which offers financial assistance to assist lowa small businesses with the expense of technical services needed to make necessary modifications to its product or processes to meet foreign standards, certifications or regulatory requirements for export. A company may be able to receive up to \$5,000 in a funding period.

Visit us online for more information or contact Lisa Longman at **lisa.longman@iowa.gov** or 515.725.3139.

## GLOBE 2012 - Vancouver, Canada (March 14-16, 2012)



GLOBE 2012 is an international conference and trade fair focused on energy, sustainability and environment. It offers U.S. firms a comprehensive introduction to the Canadian environmental market, as well as exposure to a multitude of other international markets, especially Asia and Latin America.

GLOBE 2012 features technologies in water and wastewater management, pollution prevention, environmental engineering, solid waste management, air quality and hazardous waste.

The conference focuses on five major themes:

- Corporate Sustainability
- The Economics of Energy
- Finance & Investment
- Global Emissions Management
- Cities: Green Buildings, Infrastructure & Sustainable Design

In addition there will be special sessions on Water; Clean Technology; Green Jobs, Education & Training; Sustainable Consumption, Supply & Retail; and the Auto Industry.

Several options exist for participation — ranging from conference attendance, exhibition in the U.S. Pavilion and customized meetings via the U.S. Commercial Service (USCS) Canada's Gold Key Program. The U.S. Pavilion at GLOBE 2012 will be placed in a high profile location, sure to attract the attention of show visitors. The pavilion will be staffed by USCS Canadian and U.S. environmental specialists who will be available for counseling, information and support throughout the event.

The Gold Key Program has been used successfully across Canada by numerous U.S. companies to find Canadian partners and representatives. The Iowa Economic Development Authority's International Trade Office technical and financial programs will be available to eligible companies to support Iowa participation in GLOBE 2012.

For more information on this event visit: iowaeconomicdevelopment.com/intlevents or contact Peggy Kerr at peggy.kerr@iowa.gov or 515.725.3143.

## FMI - Dallas, Texas (May 1-3, 2012)

FMI 2012, a food retail show, is the largest food focused trade show in the USA. This biennial trade show is organized by the Food Marketing Institute (FMI) and will be held at the Dallas Convention Center, Dallas, Texas. FMI 2012 attracts supermarket retailers, wholesalers, distributors and importers/exporters from across North America and around the globe. Attendees from 133 countries traveled to FMI 2010 to discover new trends and source products. This year's food industry showcase will feature more than 1,200 exhibitors, including manufacturers of food, nonfood, equipment and technology.

Co-locating with FMI 2012 will be three additional shows.

- The **U.S. Food Showcase** will attract international food buyers to the show. The National Association of State Departments of Agriculture (NASDA) will work with USDA's Foreign Agricultural Service to bring international food buyers to the show.
- The Fresh Marketplace and Fresh Tech **Expo** The United Fresh Produce Association (United Fresh) organizes this event for produce companies and its partners.
- The International Meat, Poultry, and Seafood Convention & Exposition Hosted by the American Meat Institute (AMI), which represents 1,100 meat processing companies and its suppliers will hold the annual exposition. Equipment, ingredients, packing materials and labeling are popular sectors buyers are seeking.



Each of these four shows will attract their own clientele, but combined, FMI 2012 creates a unique opportunity for lowa companies producing retail food products or looking for the equipment and services to make their plants productive. International buyers from 130 countries are expected to attend this event. The Iowa Economic Development Authority offers financial assistance through the Domestic Trade Assistance Program (DTAP) for qualified companies to reach international buyers at this domestic trade show.

For more information contact Mark Fischer at mark.fischer@iowa.gov or 515.725.3140.

# trade shows - Taipei, Taiwan (June 27 - 30, 2012)

Four major trade shows will take place concurrently at the Taipei World Trade Center. FOOD TAIPEI, TAIPEI PACK, FOODTECH & PHARMATECH TAIPEI and TAIWAN HORECA will bring unparalleled convenience to exhibitors and visitors. These shows compose one mega show that will attract visitors from throughout East Asia.

**2012 FOOD TAIPEI** is one of Asia's most important food shows and celebrated its 21st year in 2011. The show itself has been cited as the most popular platform for industry players to launch products into Taiwan and overseas markets.

**2012 TAIPEI PACK** will bring together packaging industry professionals to serve as a hub for international companies seeking to expand export markets into East Asia.

www.taipeipack.com.tw/

## **Industry Focus:**

Confectionery

Fresh Fruits & Vegetables
Preserved Fruits & Vegetables
Poultry, Seafood, Meat & Processed Meat Products
Edible Oils
Dairy Products
Health Food
Frozen Prepared Food
Canned Food
Baked Food
Biscuits
Wine & Liquor
Coffee & Tea, Juice & Soft Drinks Condiments

#### **Industry Focus:**

Packaging Machinery & Materials
Packaging Plant Systems
Filling/ Sealing/ Weighing Machinery
Printing Machinery
Warehousing Equipment
Food & Pharmaceuticals Packaging Machinery
Shrink Packaging Machines
Bag Making Machinery
Material Control Equipment
Vacuum Packaging Machines
Conveyors
Paper & Cardboard Containers
Tapes/ Plastic Film/ Pallets

## **2012 FOODTECH & PHARMATECH TAIPEI** will be held at the TWTC NANGANG Exhibition Hall

and TWTC Exhibition Hall 1, bringing attendees more diverse products, great services and even more business opportunities to launch products into the Taiwan and East Asia market.

# **2012 TAIWAN HORECA** is Taiwan's premier hotel, restaurant and catering show -- also servicing the East Asia marketplace.

## **Industry Focus:**

Food Industry Turnkey / Whole Plant Project
Food Processing & Preparation Machinery
Beverage Processing & Preparation Machinery
Bakery Equipment, Food Packing Machinery
Refrigeration Equipment
Food Industry Disposal & Sanitation Equipment
Testing / Measuring Machinery
Vending Machinery
Pharmaceutical (Health Food) Equipment

## Industry Focus:

Food Processing & Preparation Machinery
Beverage Processing & Preparation Machinery
Hotel / Restaurant / Catering Equipment & Accessories
Bakery Equipment
Food Packing Machinery
Refrigeration Equipment
Food Industry Disposal & Sanitation Equipment
Tableware and Kitchenware
Bathroom Products
Cleaning Tools
Electrical Household Appliances

Financial assistance will be available to eligible companies to help defray trade show expenses. iowaeconomicdevelopment.com/business/intltrade/export\_finance.aspx

For more information on this opportunity to showcase your company, contact: Kathy Hill at **kathy.hill@iowa.gov** or 515.725.3141.

## Brazil - Chile trade mission

(Fall 2012)

Brazil, the seventh largest economy in the world, is Latin America's biggest economy and is the fifth largest country in the world in terms of land mass and population with about 193 million people. Bolstered by strong domestic demand and a growing middle class, Brazil weathered the economic downturn better than most major economies and grew 7.5 percent last year. During the past decade, the country maintained sound macroeconomic policies to control inflation without sacrificing economic growth. In 2010, the U.S. was Brazil's largest import supplier followed by China, Argentina, Germany and South Korea. Brazil was the seventh largest destination for lowa's exports in 2010, exceeding \$353 million.

Chile remains one of the most stable and prosperous developing nations and consistently ranks high on international indices relating to economic freedom, transparency and competitiveness. The United States and Chile Free Trade Agreement (FTA), implemented in 2004, continues to be a resounding success. In 2010, bilateral trade between the U.S. and Chile reached \$17.9 billion, an over 150 percent increase over bilateral trade levels before the U.S.-Chile FTA went into effect. U.S. exports to Chile in 2010 reached \$10.9 billion while imports from Chile reached US\$7 billion. The U.S. has now enjoyed a trade surplus with Chile for three consecutive years. Chile was lowa's 19th largest export destination in 2010 with exports of nearly \$70 million.

This mission is open to ALL industry sectors. One-on-one, pre-qualified appointments will be arranged in each location for participating companies -- whether they are seeking to develop or expand direct export sales, locate distributors or agents, conduct market research or have other goals. Contact Peggy Kerr at peggy.kerr@iowa. gov or 515.725.3143 for discussion. Details will be available at iowaeconomicdevelopment.com/ intlevents/ in the future.

## FIGAP/VIV América Latina 2012 -Guadalajara, Mexico (October 17-19, 2012)

The Iowa Economic Development Authority's International Trade Office is coordinating an Iowa pavilion at the FIGAP/VIV América Latina 2012 (www.figap.com/). This biennial exhibition brings together the agro-industrial and livestock sectors and the feed-to-meat supply chain in Mexico. Feed-to-meat brings together supply and demand within the complete animal protein chain, driven by the concept that animal feed and animal health are vital for meat quality and safety. VIV América Latina will represent every step in the meat production process.

#### Target sectors include:

Agricultural equipment Animal breeding Animal health Aquaculture companies Dairy processing Egg processing Equipment for slaughter houses Farm equipment Feed and forage manufacturers Feed ingredients and additives Genetics Grain and seed buyers/traders Grain/ingredient storage and handling equipment Industrial feed processing equipment & supplies

Ingredients and additives Knowledge transfer and consultancy Livestock Machinery for the feed industry Meat ingredients Meat processing, packaging, handling and refrigeration Meat, dairy, egg products Nutrition Pet food manufacturers Poultry production Raw materials Slaughter equipment Software Transport companies (rail, freight, customs agents)

## Target visitors include:

Distribution/wholesale/retail/trade meat (products) Farm / industry equipment suppliers Feed ingredient and additives companies Feed mills Large-scale integrated companies Meat processors Meat slaughtering companies National / local authorities Other distribution / trade agencies Poultry/pig/cattle/fish/agricultural farms Research / consultancy Veterinarians

In addition to the exhibition, there will be conferences and seminars presented by high-quality experts on the issues. Reserve your booth today!

Visit iowaeconomicdevelopment.com/intlevents or contact Peggy Kerr at peggy.kerr@iowa.gov or 515.725.3143 for more information.

## free trade agreements

Information provided by: Daniel O'Brien, Deputy National Field Director, U.S. Commercial Service, U.S. Department of Commerce, 202.482.1376, www.export.gov

## Are you looking for information about how the recently passed free trade agreements with Korea, Colombia and Panama impact your business?

The International Trade Administration has developed a number of resources to help companies learn about the benefits from the recently passed trade agreements with Korea, Colombia and Panama. Now is the time for companies to learn how the agreements impact their industry and state. Please visit trade.gov/fta for the latest industry opportunity reports, state impact sheets and other useful traderelated data:

Korea - http://trade.gov/fta/korea/ Colombia - http://trade.gov/fta/colombia/ Panama - http://trade.gov/fta/panama/

## Want to know the tariffs your company will face with U.S. Free Trade Agreement partners once the agreements with Korea, Colombia and Panama go into effect?

The International Trade Administration has developed a Free Trade Agreement Tariff Tool to help manufacturers quickly find the tariff information they need. The FTA Tariff Tool has three functions: 1) a searchable database to find the tariff treatment of industrial goods covered under the U.S. FTAs; 2) creates market access reports and charts across industrial sectors or product groups; and 3) creates a snapshot of current tariff and trade trends under different U.S. FTAs. Using this free tool, any manufacturer can instantly search and see the tariffs applied on its product in the FTA partner markets. Visit http://export.gov/fta/ftatarifftool/ for more information including a "how to" guide and instructional video.

## recent developments in biotechnology in Mexico Article submitted by Tom Johnston, Iowa Mexico Office

Mexico's biotechnology industry made an international splash this year when a biopharmaceutical treatment for scorpion stings, developed in Mexico, was approved for sale in the United States by the U.S. Food and Drug Administration (FDA). The product, called Anascorp, was developed by the Biotechnology Institute of the National Autonomous University of Mexico (UNAM) and is manufactured by Mexico City-based laboratory Instituto Bioclon. It is reportedly the first antidote of its type specifically for potentially lethal scorpion stings to be available on the U.S. market.

While Anascorp captured headlines, Mexico has quietly been building up its biotechnology industry in recent years. Sporadic projects to develop hardier agricultural varieties began in the late

1980s and since have grown into a concerted effort by government and academia to promote biotechnological research and development in support of industry. Much attention has been given to the field as part of the recent administrations' drive to build Mexico's international competitiveness in advanced industries such as aerospace, software and pharmaceutical manufacturing. The majority of resources currently dedicated to biotechnological research in Mexico are reported to be concentrated in the development of pharmaceuticals, with agriculture and energy applications also receiving significant attention. The Mexican Economy Ministry estimates the domestic market for products of biotechnological origin to be approximately \$1 billion with strong growth potential.

Federal and state governments are now seeking to replicate the success of the country's aerospace industry by promoting incentivized biotechnology clusters in certain locations. The government of the central state of Morelos, for example, is investing \$25 million in a new science and technology park in the city of Cuernavaca specifically targeting producers of biopharmaceuticals. The government is offering tax breaks and other incentives plus the existence of other biotech companies in the city to build an industry concentration that will gather momentum to continue expanding.

The western state of Jalisco is taking a slightly different approach with its recently formed Biocluster Occidente (www.bioclusteroccidente. com). The initiative, launched through an alliance between a local university, a regional manufacturing chamber and a state research and technology agency, will provide resources and logistical support to organize workshops, conferences and networking events to develop linkages between academia, government and industry. The objective is to generate collaboration across the sectors to support industrial competitiveness and entrepreneurship that will create economic growth. The project will reportedly begin working with 37 area companies in industries such as food science and human and animal health technologies.

The northeastern state of Monterrey, in turn, is pursuing its own biotechnology cluster focused primarily on the agriculture and food processing industries. The state's Cluster Agroalimentario de Nuevo León (www.clusteragroalimentario.com) was launched last year to promote interaction and collaboration between government, research organizations and agribusiness operations, such as those in the citrus industry. The cluster committee is currently conducting a campaign to recruit new companies from around the world to join the existing core group.



Despite an adverse economy, Mexico's biotechnology community continues to grow. Mexican pharmaceutical manufacturer, Landsteiner Scientific, recently announced planned investment of \$45 million in research to develop biopharmaceuticals for treatment of cancer and chronic degenerative diseases in conjunction with the Monterrey Technical Institute and the University of Michoacán. Another Mexican firm, Biosustenta, this year inaugurated a plant to produce environmentally friendly biofertilizers. The facility, built with federal and state support, is reportedly the largest of its kind in Latin America. This past October, German pharmaceutical producer Boehringer Ingelheim joined Jalisco's biotechnology community, inaugurating a plant to develop and manufacture vaccines for poultry and other livestock.

The rise in importance of biotechnology has brought with it an effort to update regulatory frameworks to keep pace with an evolving industry. On October 19, 2011, Mexico's Official Gazette (DOF) published modifications to existing regulations governing health products that specifically addressed biopharmaceuticals. The updated legislation includes key provisions on registration of generic biopharmaceuticals once the original developer's patent expires. The new regulations establish the process for registration of generics and a timeframe within which manufacturers may register products for testing prior to the expiration of an existing drug's patent.

## third party logistics

Article by: Dan Curran, Director Business Development, Worley Warehousing Inc.

Third Party Logistics, or 3PLs, are companies who perform warehousing, order fulfillment and value-add services. In international trade, whether you are a seasoned veteran or a one person start-up, the network of contacts developed is critical. I'm not sure who said "fortune favors the prepared," but it should be what everyone has floating across their screen-saver.

3PLs are a supply chain asset. This cannot be overstated. These companies act as the elastic between supply and demand's inevitable imbalances. A 3PLs ability to hold inventory allows the producer to maximize their space for what they do best, which is produce. The value does not stop at the physical storage and handling of product as it's staged for shipment. A good 3PL is the connection to transportation carriers, freight forwarders and other value added services including preparation of the product for compliant shipment and loading containers to withstand the rigors of international transport. 3PLs do this work every day and can provide an organization additional depth and resource networks.

Let's say an international client needs a bar code applied to each item, or the buyer needs advance shipment information in an EDI format to load into their system -- a 3PL partner can provide these services -- once again allowing a company to concentrate on its product and what differentiates it from competitors. Loading a container for international transport is impacted by DOT regulations as well as over the road weight limits. Total weight and distribution within a trailer or container can make the difference between it being delivered to the customer, intermodal facility or port; and sitting at a DOT scale waiting to be weight reduced or redistributed. A 3PL partner can assist in determining container size and trailer capability. For example, knowing a tri-axel or slider trailer is needed for a heavy load moving in a 20' container is invaluable.

The line of communication between a 3PL and transportation carriers is another service often overlooked. The variability involved in less-than or full truck/container load shipments are a part of the daily work flow. The communication between carrier and 3PL is pre-emptive and alternatives are identified in advance of ship date appointments.

The bottom line – a 3PL will add value to a company's international sales. 3PL partners allow producers to maintain product focus without adding additional staff to manage the details of staging product, shipping compliance and connectivity. A 3PL will do what it takes to help their customers succeed, because at the end of the day, if its customers are not successful, the 3PL doesn't have much of a future.

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