

## **AFRICA TRADE MISSION – CAIRO TO CAPE (TENTATIVELY MARCH/ APRIL 2010)**

Planning is underway for a trade mission to Cairo, Egypt and Johannesburg and Cape Town, South Africa. South Africa is a logical and attractive choice for companies to enter the African continent and the Indian Ocean rim countries with its macroeconomic stability and a pro-business environment. It is the most advanced, broad-based and productive economy in Africa. Iowa exports to South Africa increased 43 percent in 2008 making it our 14<sup>th</sup> largest export destination.

Egypt is the fourth largest export market for US products and services in the Middle East and a significant importer of American agricultural commodities, machinery and equipment. Iowa exports to Egypt increased 71 percent in 2008. One-on-one pre-qualified appointments will be arranged 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. All industry sectors are invited to participate in this mission. Contact Peggy Kerr for discussion and input at [peggy.kerr@iowalifechanging.com](mailto:peggy.kerr@iowalifechanging.com) or 515.725.3143.



**IMPORTANT:** The International Trade Office will be transitioning the *INTERNATIONAL UPDATE* to an electronic format **ONLY!** If you wish to continue to receive this newsletter, or know others in your company/organization that should be included, please email their contact information to:

[lisa.mason@iowalifechanging.com](mailto:lisa.mason@iowalifechanging.com) and include:

Name

Company

email address

## **ELE TRADE 2010 – TOKYO, JAPAN (JANUARY 20 – 22, 2010)**

The International Electronic Components trade show, ELE TRADE 2010, is an exhibition featuring electronic components and devices. This show is an established opportunity for professionals of design, R&D and electronic manufacturers to showcase the latest technology trends. This show has also established itself within the industry as a place to have business discussions with serious professionals and decision makers. ELE TRADE 2010 will be expanding again to accommodate the increased number of exhibitors and industry visitors and will run concurrently with: INTERNEPCON JAPAN, ELECTROTEST, JAPAN IC PACKAGING TECHNOLOGY EXPO and PRINTED WIRING BOARDS EXPO.

Companies within the following industries should consider joining us at ELE TRADE 2010: electronic components (condensers, resistors, fuses, relays, switches, etc.), semiconductors/ics, crystal related components, connectors, emc-noise reduction related components, sensors, various devices (displays, communication, boards, etc.), batteries and other electronic components for the electronics industry. ELE TRADE 2010 will be held at Tokyo Big Site, January 20 – 22, 2010.

The IDED's Tokyo office team has offered the first five participating Iowa companies up to 40 hours of post-show follow-up assistance at no charge to you! To learn more about participation at the ELE TRADE 2010, any of the concurrent running shows or the assistance IDED's Tokyo office staff can offer, please contact Kathy Hill at [kathy.hill@iowalifechanging.com](mailto:kathy.hill@iowalifechanging.com) or 515.725.3141.

## **VIV EUROPE TRADE SHOW - UTRECHT, NETHERLANDS (APRIL 20 – 22, 2009)**

VIV Europe targets the meat and livestock industry and attracts some 22,000 visitors from 126 countries. This bi-annual show is the place to be to showcase the most inspiring innovations in the animal protein industry. Experience the many aspects of the changing landscape of future farming in poultry, pigs, cattle and fish at VIV Europe. Iowa companies that market feed ingredients, feed processing equipment, animal health, livestock equipment, animal

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## **FIGAP/VIV AMERICA LATINA 2010 – GUADALAJARA, MEXICO (OCTOBER 21-23, 2010)**

A State of Iowa pavilion has been reserved at the next edition of FIGAP, which for the first time is a joint-venture between FIGAP, the leading animal husbandry trade show organizer in Mexico and VNU Exhibitions Europe (VIV). This new combination offers international and national companies a strong livestock business platform in Latin America's emerging market and encompasses animal production and processing from feed to meat.

FIGAP 2010 receives major exhibitors and manufacturers of machinery for the balanced food industry, agricultural equipment, animal health, genetics, nutrition, livestock software, grain and seed handling and storage equipment, feed ingredients & additives, pet foods, aquaculture companies, distributors of ingredients and additives, as well as transport companies, slaughtering and meat processing equipment and technology, among others.

Latin America's animal protein industry has a lot to offer for international suppliers in the Feed-to-Meat chain. Poultry production shows an annual increase of five percent, pig production 4 percent and dairy two percent. As a result, feed production is growing at an annual rate of five percent. Therefore, local livestock producers are facing many challenges. New technologies and production methods are vital in meeting the increasing consumer demand for safe and healthy food.

Visit [www.iowalifechanging.com/intlevents](http://www.iowalifechanging.com/intlevents) or contact Peggy Kerr at 515.725.3143 or [peggy.kerr@iowalifechanging.com](mailto:peggy.kerr@iowalifechanging.com) for additional information.

### **VIV EUROPE TRADE SHOW**

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genetics and meat processing equipment should consider exhibiting. VIV Europe is a solid way to reach buyers in western Europe and tap into the growing livestock industry in eastern Europe and Russia. Contact Mark Fischer at [mark.fischer@iowalifechanging.com](mailto:mark.fischer@iowalifechanging.com) or 515.725.3140 for more information.

**JAPAN IS IOWA'S THIRD LARGEST EXPORT MARKET AND ONE OF THE MOST IMPORTANT EXPORT MARKETS FOR AGRICULTURAL PRODUCTS. IOWA COMPANIES CURRENTLY DOING BUSINESS, OR WANTING TO DO BUSINESS, IN JAPAN SHOULD CONSIDER JOINING THE IDED IN ONE OF THE FOLLOWING JAPAN ACTIVITIES.**

### **PARTNERS IN AGRICULTURE – JAPAN (APRIL 2 – 10, 2010)**

The IDED, in partnership with the Iowa Pork Producers Association, Iowa Soybean Association, Iowa Corn Promotion Board, Iowa Beef Industry Council and Iowa Sister States will join with the US Foreign Agricultural Service in Japan to commemorate the "hog lift" and 50th anniversary of the Iowa-Yamanashi sister state relationship. This historic event helped open markets for US goods and services, and launched the agricultural cooperator programs between the United States and Japan.

Yamanashi symbolizes the success of the United State's worldwide cooperator program and our special agricultural relationship with Japan. Within this global relationship, Japan stands out as the most successful country for the market development of US food and agricultural products in history. The defining moment in the Japan success story as a market was the "hog lift" in 1959, when Iowa farmers and the Foreign Agricultural Service assisted Yamanashi in rebuilding its hog industry after two typhoons hit the prefecture. Iowa farmers sent swine breeding animals and corn to feed them. This event helped to create the US Grains Council, the US Meat Export Federation and the Iowa-Yamanashi sister state relationship, the oldest such relationship in Japan.

Today, Japan is our largest export market for feed grains and meat. During the first week of April, various events will be scheduled in Japan including a seminar/trade show/reception for the meat industry, an Iowa reception featuring Iowa's products and a two-day celebration in Yamanashi to commemorate the 50<sup>th</sup> Anniversary. Iowa companies exporting to Japan should consider participating in this historic event. For more information contact Kathy Hill at [kathy.hill@iowalifechanging.com](mailto:kathy.hill@iowalifechanging.com) or 515.725.3141.

### **IOWA MEAT TRADE MISSION – KOREA AND JAPAN (MARCH 29 – APRIL 10, 2010)**

Japan and Korea are two of the largest export markets for Iowa meat products, particularly pork. Japanese buyers have purchased a record \$288 million in Iowa pork during the first seven months of 2009. Japan presents niche opportunities for highly marbled, antibiotic free and storybook pork. Korea is an important market which will grow with the refinement of the cold chain and the introduction of chilled US pork. A special pork seminar is planned for buyers and the trade in Japan. This mission is open to all Iowa meat sectors – pork, beef and turkey. Individual appointments will be arranged for Iowa suppliers to meet importers, processors and retailers. For more information contact Mark Fischer at 515.725.3140 or [mark.fischer@iowalifechanging.com](mailto:mark.fischer@iowalifechanging.com). The Iowa Meat Trade Mission will be in Japan during the "Partners in Agriculture" event so that Meat Mission participants can participate in this celebration.

### **ADDRESS/CONTACT UPDATE:**

**For corrections or updates for receiving this newsletter, please contact Lisa Mason at 515.725.3139 or [international@iowalifechanging.com](mailto:international@iowalifechanging.com)**

By Jose Jimenez & Tom Johnston

## MEXICO BUSINESS AND ECONOMY OUTLOOK FACING 2010

As 2009 draws to a close, Mexico, like many countries, will be happy to see the end of this year. Not only did 2009 see the worst economic decline in decades, but the steep recession was exacerbated by the outbreak of the H1N1 flu in April, which had a devastating effect on tourism and, to a lesser degree, business travel. Mexico's deep economic integration with the United States is a key motor for the economy, and as a result, the contraction of demand for vehicles and other durable goods in the USA hit Mexico's productive sector hard. The first two quarters of the year were practically catastrophic as the precipitous drop off in demand for vehicles led to layoffs and temporary plant closings in Mexico's large vehicle manufacturing industry. Tourism, hit by the one-two punch of the slumping US economy and then the flu outbreak in April, is showing tepid signs of recovery, but the sector is still expected to close the year approximately 20 percent below 2008 levels.

The good news is that for the moment, the worst appears to have passed. While the economy is by no means charging back, it did register positive GDP growth in the third quarter, following four straight quarters of contraction. The damage is done however, and central bank Banco de Mexico is projecting overall GDP growth for 2009 at approximately -7.0 percent. The effect on employment has been devastating, with manufacturing chamber Coparmex estimating that some 600,000 jobs were lost during the year. Inflation was held relatively stable at approximately 4 percent, although this is projected to rise in 2010 presuming a rebound in internal markets. Mexico's currency has hit a volatile patch at year end. The peso depreciated from about 13.2 to a high of 15.5 in March, before stabilizing at around 13.5 for most of the year. The dollar suddenly dived against the peso in the last week of November, reaching as low as 12.3 before creeping back up to about 12.9 at the time of this report.

Economic analysts in local media seem to be trying to will the economy back to life, and some small gains are being registered, such as department store sales in the third quarter and new jobs in certain manufacturing sectors. A stronger recovery, however, will have to face some formidable obstacles. Facing a growing budget deficit, the Mexican government recently passed a 2010 economic package that includes a raft of tax increases on items such as income and retail sales. This, taken together with proposed hikes in Mexico City on hotel occupancy and public transportation, won't help domestic consumers loosen purse strings. Credit to consumers and businesses have been extremely tight this year, with no apparent trend toward loosening on the horizon. Ultimately, however, the biggest factor in Mexico's economy will be the pace of recovery in the United States. With over 80 percent of the country's exports going to the United States, consumption in Mexico's northern neighbor will have a major impact on job creation and in turn the reactivation of the domestic market.

While the story of 2009 is undoubtedly the deep recession, some sectors in Mexico have done remarkably well, and are actually thriving despite current economic conditions. One such sector is aerospace. Mexico has become a world-class player in this industry over the past decade, drawing over US\$32 billion in aerospace manufacturing investment since 1990. The number of companies in aerospace manufacturing, maintenance and related support services in Mexico has grown from 61 to 194 over the past four years, and export sales are projected at US\$3.4 billion for 2009.

While aviation itself overall slumped in 2009 along with the economy, one subsector has become a growth industry: Private air transport for executives. This niche is set to buck the trend and post positive growth for the year, with sector leader Aerolineas Ejecutivas (ALE) projecting 12 percent growth for 2009.

Mexico's energy industry has long been restricted exclusively to the state, but steps taken in recent years have allowed increasing opportunities for participation by the private sector. Changes in public policy combined with the global surge in interest in alternative energy sources have made this sector a focus of investment in Mexico. On the electricity side, major wind generation plants are in development or construction in the southern Isthmus of Tehuantepec region and along Mexico's northern border with California. Solar equipment manufacturing and power generation has received considerable attention as well. Japanese manufacturer Kyocera opened up a second major plant in Tijuana this year to produce solar modules, and the state of Durango presented a proposal to construct a "solar cluster" industrial site to host both equipment manufacturers and solar electricity generation plants. Biofuels are also drawing interest in Mexico, with research and development underway on fuels produced from materials such as jatropha, sugar cane, corn, palm oil and tallow, among others.

Another industry that has thrived in Mexico despite the recession is software development. Anchored in the city of Guadalajara and surrounding state of Jalisco, Mexican software engineers both develop their own software and provide "nearshoring" code writing services to software companies in California and elsewhere. Jalisco boasts over 200 information technology companies, and national IT organizations are projecting 11 percent growth for the sector in 2009 at a time when most other industries are facing contraction for the year.

For US food and food ingredients exporters, Mexico continues to represent a market of interest. The national farmers' confederation (CNC) reported this year that Mexico's dependency on imported food products is growing, particularly in corn and oilseed

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## OTHER INFORMATION

### ETAP REMINDER:

ETAP funds for this fiscal year (ending June 30, 2010) have been suspended due to the State's budget. We will let you know if funds will be available in the next fiscal year closer to July 1, 2010.

### NASCO 2010 – SAVE THE DATE! DES MOINES (JUNE 15 – 17, 2010)

Join us at the 2010 NASCO Conference Tuesday, June 15 through Thursday, June 17, 2010, to learn about the latest developments in logistics and transportation, and take part in discussions concerning a variety of issues related to North American transportation, trade and economic development. For more information visit [www.nascoiowa2010.com](http://www.nascoiowa2010.com).

### INDIVIDUALIZED ASSISTANCE AVAILABLE IN SELECT MARKETS:

Various assistance programs have been developed in conjunction with our global offices and representatives to provide services to Iowa companies seeking to establish or expand a presence in the global marketplace.

Basic services, some of which are fee-based, vary by location. Examples include:

- General Market Information
- Market Research
- Pre-Screening Potential Customers & Partners
- Appointment Scheduling
- Trade Show Support

Contact the International Office at 515.725.3107 or [international@iowalifechanging.com](mailto:international@iowalifechanging.com) to learn more.

### MEXICO BUSINESS AND ECONOMY OUTLOOK FACING 2010

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products. In 2008 Mexico imported 9.1 million tons of corn and 4.0 million tons of oil seeds. Corn and oil seed imports are expected to increase by 10 percent in 2009 due to losses in domestic production caused by a drought earlier in the planting season.

On balance, Mexico heads into 2010 facing enormous challenges, but not without cards to play. The drug wars continue to consume a significant share of public resources, but ultimately reactivation of internal and export markets will have to drive the recovery. If the United States is able to accomplish even moderate economic recovery in the coming year, the resulting boost to Mexican manufacturing should provide an important push toward reverting 2009's downward trend in employment and consumer spending. And this, in turn, can only benefit US companies seeking to export industrial technology and consumer goods to Mexico.



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*Moving? Or, want to list a new or additional contact? Please contact [international@iowalifechanging.com](mailto:international@iowalifechanging.com) or 515.725.3139 with your updates.*

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### INTERNATIONAL TRADE OFFICE - STAFF RETIREMENT

Our friend and co-worker, Dick Vegors, will retire from IDED December 31, 2009. Dick's dedication to agricultural marketing for Iowa and development of international programs specifically for grains, corn and grain byproducts has developed these commodities into some of the largest export categories for Iowa.

Dick's professional accomplishments are extensive and include the annual soybean conference, developed specifically for the Japanese market place, which opened more market opportunities for identity-preserved growers and exporters. Dick worked closely with former Iowa Secretary of Agriculture Patty Judge, the IDED Tokyo office director, Mr. Norman Makino and the Japanese Ministry of Agriculture of Forestry and Fisheries for Japan to accept Iowa's organic standards for food grade soybeans. The Latin American annual Harvest Tour was initially organized and facilitated by Dick and brought buyers from Central and South America, creating new markets for Iowa's grain products. And, most recently, Dick has been working with the Renewable Fuel/Infrastructure Program, to expand the use of biodiesel and E85.

Over the years, Dick has represented IDED on boards, committees and local and national meetings to further the opportunities for producers, processors and Iowa exporters. We will miss him greatly and invite you to join us in honoring him. Electronic greetings for Dick may be sent to [international@iowaliefchanging.com](mailto:international@iowaliefchanging.com).