INTERNATIONAL UPDATE

IOWA economic development

IOWA ECONOMIC DEVELOPMENT AUTHORITY — INTERNATIONAL NEWSLETTER FALL 2017

NEWS YOU CAN USE

Additional Grant Funding Available

The Iowa Economic Development Authority (IEDA) International Trade Office has again received a Small Business Administration STEP grant to provide additional financial assistance to eligible Iowa small businesses through the following programs:

- **Export Trade Assistance Program (ETAP):** Exhibit at an international trade show held outside the U.S.
- **Domestic Trade Assistance Program (DTAP):** Exhibit at international trade shows, held in the U.S., for international marketing promotion.

For more information about the International Financial Assistance programs, visit iowaeconomicdevelopment.com/IFA or email Lisa Longman at etap@iowaeda.com.

Global Marketing Research

IEDA's network of foreign offices and representatives is an excellent source of general market information, market research, pre-screening of potential customers and partners, appointment scheduling and trade show support. Some services are complimentary, while others are fee based.

Locations include China, Mexico, Central America, Europe, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Taiwan, Thailand and Vietnam.

These services can also be arranged in other select markets where IEDA can offer references to in country service providers with whom IEDA has developed relationships. These additional markets include several South American countries, sub-Saharan Africa, eastern Europe, Japan, Australia and Korea.

Email international@iowaeda.com to discuss specific needs or to seek recommendations.

UPCOMING EVENTS

Doing Business with NAFTA Partners Training

The IEDA will host *Doing Business with NAFTA Partners*, presented by Scarbrough 360, and their Canadian and Mexican customs broker partners, AGO Transportation and Scarbrough de Mexico. The training will be held November 9 in Altoona. Seminar topics include NAFTA documentation, shipping processes to/from each market, Canada's Non-Resident Importer program and GST tax, and Mexico's many programs and regulations. This is a unique opportunity to ask questions directly to Canadian, Mexican and U.S. Customs Brokers & Freight Forwarders. Details and registration are available at regonline.com/17naftatrain.

The support from IEDA partners' CIRAS, First National Bank of Omaha, Greater Des Moines Partnership, International Traders of Iowa and Renew Rural Iowa, allows IEDA to once again offer world class training in Iowa at economical rates with minimal travel. Email peggy.kerr@iowaeda.com or 515.348.6242 with questions regarding the training.

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UPCOMING EVENTS, CONTINUED

Iowa Meat Mission to Japan
November 11-18, 2017

The International Trade Office will lead a trade mission to Tokyo and Osaka, Japan November 11-18, 2017. The mission, which will focus on pork and beef, is open to all Iowa companies working in this area. Japan is Iowa's leading export market for pork and beef products. In 2016, Iowa companies exported $611 million in meat products to Japan. IEDA will work with the U.S. Meat Export Federation to organize the itinerary. All Iowa meat processors and meat exporters are invited to participate. To learn more, contact mark.fischer@iowaeda.com at 515.348.6241.

Expo Manufactura – Monterrey, Mexico
February 6-8, 2018

The IEDA in conjunction with the Iowa Mexico Office (IMO) invite Iowa manufacturing industry companies to exhibit in an Iowa pavilion at Mexico's premier trade show for machinery, equipment and services in support of manufacturing industries. Key industries attending include automotive, aerospace, aeronautics, energy, medical devices, home appliances, electronics and plastics. Discounts on exhibition space, financial assistance to eligible companies and in-country support from the Iowa Mexico Office are some of the advantages of being part of the Iowa pavilion. A summary is available at iowaeconomicdevelopment.com/intlevents or contact peggy.kerr@iowaeda.com at 515.348.6242 to discuss.

FIND MORE EVENTS AND EDUCATIONAL OPPORTUNITIES AT

iowaeconomicdevelopment.com/intlcalendar

Sub-Saharan Africa Trade Mission
April 14-22, 2018

This trade mission will be anchored in South Africa, with each participant able to select the second market based on specific business opportunities and needs. Additional markets include Angola, Botswana, Malawi, Mauritius, Mozambique, Namibia, Zambia, Kenya, Tanzania and Ghana. U.S. trade to and from Africa tripled in the last decade. After nearly two decades of strong growth, overall growth slowed in 2016, but certain markets continue to grow robustly. Participating Iowa companies will have one-on-one pre-qualified appointments whether the company is seeking to develop or expand direct export sales, locate distributors or agents, conduct market research or has other goals. Contact peggy.kerr@iowaeda.com or call 515.348.6242 to discuss your interests in the market. Mission details and application information will be available at iowaeconomicdevelopment.com/intlevents.

Trade Mission to Indonesia & Malaysia

Southeast Asian countries form a powerful economic block. With continued development in this region, these countries are expected to top a billion middle-class consumers and a combined GDP of more than $18 trillion. Economic growth is expected to remain strong, with growth projections of more than seven percent for the remainder of 2017. Indonesia is the world's fourth-most populous nation, the world's tenth largest economy in terms of purchasing power parity, and a member of the G-20. Malaysia is a highly open, upper-middle income economy and has recorded an average growth of more than seven percent per year for the last 25 years.

Opportunities in S.E. Asia do not simply come to companies; companies must go to the market to develop relationships. This trade mission is a great, low-cost way to begin the process. IEDA trade missions offer a full itinerary of one-on-one meetings with prospective customers and strategic partners. IEDA provides market research and business appointments in the region's commercial hubs – Jakarta and Kuala Lumpur. To learn more, contact joseph.rude@iowaeda.com or 515.348.6244.

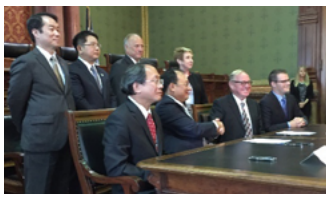
RECENT HIGHLIGHTS

Mexican Meat Buyers Talk Business with Iowa Suppliers

Twelve Mexican meat buyers, representing eight companies, traveled to Iowa for the bi-annual Meat Buyers Mission September 17-21, 2017. The IEDA organized mission toured meat plants during the day, heard from an Iowa State University livestock economist and participated in two "Meet the Buyers" sessions — one in Johnston and one in Sioux City, to talk business with Iowa suppliers. The Mexican buyers had 84 company interactions while in Iowa and held one-on-one business meetings with 12 Iowa companies looking to export meat products, equipment and meat product services. The suppliers estimated a $7 million dollar increase in their sales to these buyers over the next year.

Iowa companies exported $146 million in pork and beef products to Mexico in 2016. IEDA's Mexican contractor, Business Development Partners, recruited the Mexican buyers. Thanks to the Iowa Pork Producers Association, Iowa Beef Industry Council and Iowa Corn for providing financial assistance for hosting the buyers in Iowa.

Taiwan Goodwill Mission



A Taiwanese delegation visited Iowa on September 15 to meet with government officials, grain industry leaders and participate in a signing ceremony at the Iowa State Capitol. Signing letters of intent on behalf of the Iowa grain industry were Mark Heckman, chairman, Iowa Corn Promotion Board and Rolland Schnell, director and past president, Iowa Soybean Association. Lt. Governor Adam Gregg and IEDA Chief Operating Officer Rita Grimm addressed the group that included Iowa Congressional Representatives and State Senators.

The soybean letter of intent states the Taiwan Vegetable Oil Manufacturers Association intends to purchase 96 -107 million bushels of soybeans between 2018 and 2019. The value of these purchases is estimated to be USD 1.1 – 1.2 billion. The corn letter of intent states the Taiwan Feed Industry Association intends to purchase 197 million bushels of corn and 0.5 million MT of DDGS between 2018 and 2019. The value of these purchases is estimated to be about USD 1.05 billion.

The International Trade Office worked with the Taipei Economic and Cultural Office in Chicago to organize the Taiwan team's stop in Iowa.

IEDA Hosts International Trade Training Sessions

The IEDA's International Trade Office collaborated with Allocca Enterprises to offer two international training sessions. The August 8 *Export Compliance 201* session was attended by 53, and the August 9 Incoterms® and International Banking by 48. Thanks for the great turn out! Also, thanks to the co-sponsors including Center for Industrial Research and Service (CIRAS) and First National Bank Omaha, Greater Des Moines Partnership and Renew Rural Iowa. This support allows IEDA to offer world-class training locally at economical rates, requiring minimal travel.

Two days of intensive training provided Iowa exporters with many tools necessary to compete in the global marketplace and significant work to do once they returned to the office! Comments from attendees included: "Great discussion!" "This was excellent; One of my favorite trainings yet." "Presenter was very informative and organized." "Personable speaker, very knowledgeable." "Mike understood the level of understanding of the class and simplified terms so everyone could understand." "Mike kept the seminar entertaining and was full of useful information." Specific topic recommendations for future trainings are welcome. Please email suggestions and input to peggy.kerr@iowaeda.com.

GUEST ARTICLES

Wind Energy in Southeast Asia

Anna Demetillo, Trade & Research Consultant — Orissa International

The Association of Southeast Asian Nations (ASEAN), made up of Singapore, Malaysia, Indonesia, Thailand, Vietnam, Philippines, Myanmar, Laos and Cambodia, has been outpacing the rest of the world in terms of GDP growth, because of its labor force expansion as well as improvements in its productivity fueled by agricultural and industrial growth. The region's rapid industrialization is expected to increase its energy demand by 80 percent between 2015 and 2040. At present, ASEAN's share of greenhouse emissions is relatively small although it is in a trajectory to become a large emitter in the future. Furthermore, the region is one of the most vulnerable places in the world to climate change, which in turn poses a major threat to its economic growth.

To reduce its dependence on fossil fuels and gear towards a more environment friendly and sustainable supply of energy, ASEAN has set a goal to significantly increase its use of renewable energy. This makes the renewable energy a growing sector in the region.

Countries	Year	Approximate Power Developemt Targets (% energy share)						
		Renewable Share	Type of Share	Hydropower	Geothermal	Biothermal	Wind	Solar
Indonesia	2025	23	Primary energy	12	7.8	0.0	0.1	0.1
Malaysia	2030	11	Power generation	2.5	0.0	4.1	0.0	4.4
Philippines	2030	52	Power capacity	25.4	7.1	3.3	11.3	4.7
Thailand	2021	25	Primary energy	2.3	0.0	6.7	0.4	0.7
Vietnam	2020	5	Power generation	2.7	0.0	0.8	1.6	0.0

Renewable Power Targets of Major Southeast Asian Markets
Source: Asian Development Bank

A total of USD 3.3 billion was invested in Southeast Asian wind projects from 2012 to 2015 spearheaded by the Philippines and Thailand, where the region's largest wind farms are located. The Philippines has a wind power of 173.6 GW at 30 m height, which is suitable for most utility scale wind turbine applications. The prospects for growth of the wind energy sector in the Philippines are strong, given that it has an estimated wind power potential of 76,000 MW, which is barely exploited. Currently, the Philippines imports technology required to generate wind energy. Imports of parts of non-electrical engines and motors (which includes wind turbine blades) in 2016 were valued at USD 7.5 million.

Meanwhile, Thailand also foresees the significance of wind power and intends to develop it into one of its alternative energy sources to substitute fossil-based energy. The country's 81 MW Chaiyaphum wind farm was the largest wind project finance transaction in Southeast Asia in 2015. It was sponsored by local independent power producer Electricity Generating Public Company and German wind developer Pro Ventum. Thailand's imports of parts of non-electrical engines and motors, which includes wind turbine blades, amounted to USD 27.8 million in 2016.

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Wind Energy in Southeast Asia, continued

Lastly, it is also worth noting the emergence of wind power in Indonesia and Vietnam with the recent establishment of wind farms in each country. Indonesia has about 800 inhabited islands that need energy, many of which cannot be connected to the grid. The country, which has just launched a new wind map that shows the vast potential for utilizing wind power in Indonesia, has recently announced its plan to develop wind power in 16 locations in Indonesia. Vietnam is already seeing investment into the wind sector. The massive 800 MW Phu Cuong Wind Farm has been officially formalized under a USD 2 billion Joint Development Agreement between GE Renewable Energy, Mainstream Renewable Power, and local Vietnamese partner, the Phu Cuong Group. Mainstream is also planning two other wind projects in Vietnam that have a cumulative total of 140 MW.

Southeast Asia boasts a large but untapped potential for the growth of renewable energy, including wind energy, which is needed for future sustainable development. Multilaterals such as the Asian Development Bank and World Bank are also actively supporting and funding projects in the region, making it an attractive market for providers of renewable energy equipment and technology. For the latest news on the energy sector in Southeast Asia, please visit growyourbusiness.org/news.

What You Need to Know About Executing Successful Trade Shows

Michelle Bonina, Group Manager, Export Development — Reed Exhibitions International Sales Group

Is your company ready to start exporting? If you find yourself answering 'yes' to that question, then international tradeshows should be on your brain. Tradeshows provide a safe and structured environment to explore new markets and gain exposure to targeted, qualified contacts. Exhibiting abroad is one of the quickest and most cost-effective ways to reach new export customers and rapidly grow your business.

In the fast-paced world in which we live, we tend to make decisions quickly and pull things together post haste. But, here are a few tips that will help you avoid chaos and plan effectively:

1. Show Selection

There are thousands of trade shows to choose from, which could make event selection an overwhelming process. Due diligence and conducting market research is therefore crucial. Questions to ask yourself:

What value does the event offer your company and your product? What is the current success of U.S. companies in the market? What is the need and desire from local customers for U.S. products?

Reed Exhibitions
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2. Strategy

To see a return on your investment, it is vital to maximize your presence. Make sure to take advantage of marketing options that will allow you to gain exposure and ensure key buyers know where to find you.

Make pre-show appointments, engage in matchmaking programs and attend networking events.

Keep in mind, many states have funding available to assist their companies with exhibition expenses. Capitalize on all resources available to you!

3. Execution

Make sure that onsite you are following through with the plan and strategy you created beforehand. Once the show ends, follow up is key! Make sure to follow up in a timely manner to ensure that none of your warm leads get cold.

Trade shows are excellent tools to help companies—and states—expand their global reach, by encouraging face-to-face industry meetings and high caliber engagement of buyers and sellers. To be successful in engaging a global audience, U.S. businesses are encouraged to utilize these events to substantially increase sales and exports around the globe.

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