

NEWS YOU CAN USE

Mark Fischer Retiring January 23, 2020

“My how time flies! I started with the International Trade Office in 1999, and during these many years, I have had the opportunity to work with hundreds of companies and organizations throughout the state and the world. It has been an honor and a privilege to have helped so many companies expand their global markets, while at the same time creating lasting friendships. As I move on to new opportunities and challenges, I take with me the very best experiences and memories everyone has given me. Thank you.”

– Mark Fischer



Welcome New Staff!

Brad Frisvold will join the International Trade Office on January 13 as Marketing Manager for Agriculture. Prior to joining IEDA, Brad served as global marketing manager at Cedar Rapids-based Diamond V, where he was responsible for the company’s marketing to the beef and dairy markets. Collaborating with research, technical services and sales teams around the world, he provided direction and implementation of the company’s internal and external marketing within those industries. In previous roles, he has held agricultural marketing and management responsibilities in North and South America supporting, advising and directing efforts for global businesses in multiple facets of livestock and crop marketing.



Brad’s areas of expertise include brand strategy, strategic market, market intelligence and marketing communications. He received his Bachelor of Science degree in Agricultural Journalism from South Dakota State University, has been involved in agricultural marketing for more than 20 years, and is a member of the National Agri-Marketing Association. Brad’s family continues to operate their southern Minnesota crop and livestock farm.

His telephone number will be 515.348.6241 and email brad.frisvold@iowaeda.com. The International Trade Office looks forward to Brad joining the team!

Join Us!

The International Trade Office invites you to an open house to celebrate Mark’s retirement on Wednesday, January 22, 2020 from 3-5:00 p.m. in the first-floor atrium at Iowa Economic Development Authority’s (IEDA) new office location of 1963 Bell Avenue, Des Moines. Please RSVP to international@iowaeda.com. If you’re unable to attend, but have a message to share with Mark, please email the same address.

Internship Program Funding Available for Summer

The Iowa Student Internship Program provides grants to small- and medium-sized companies in targeted industries to support internship programs with a goal of transitioning interns to full-time employment in Iowa upon graduation. Targeted industries include bioscience, advanced manufacturing or information technology.

This program allows for students to intern in a variety of areas, including as an export intern, supporting a company’s current or prospective international export efforts. Resources are available through the universities to assist employers in finding qualified interns, to support the student during the export internship and assist companies in exporting.

Learn more at iowaeconomicdevelopment.com/student or Kerri Yost at 515.348.6199, internships@iowaeda.com.

UPCOMING EVENTS

Sub-Saharan Africa Trade Mission

April/May 2020

Africa is an exciting and growing market with vast opportunities for the right companies. A spring trade mission to Sub-Saharan Africa is being planned, and dates will be announced soon.

The trade mission will be anchored in South Africa, with each participant selecting the second market based upon specific business opportunities and needs. Additional potential markets include Angola, Botswana, Malawi, Mauritius, Mozambique, Namibia, Zambia, Kenya, Tanzania and Ghana.

This trade mission is open to all Iowa companies in all markets. Participants will have one-on-one pre-qualified appointments that will help them develop or expand direct export sales, locate distributors or agents, conduct market research or create goals. If you are looking to expand your business into Africa, this trade mission will be of great benefit to you. Please contact Ms. Andrea Smith at 515.360.6228 or andrea.smith@iowaeda.com to discuss your interests in the market and the mission. Mission details and application information will soon be available at iowaeconomicdevelopment.com/intlevents.

Trade Mission To Australia And New Zealand

October 16 – 24, 2020

Australia and New Zealand have been attractive markets for Iowa companies for many years. With a common language and strong economic ties to the U.S., this is likely to continue. Iowa's partners in the region continue to purchase a wide range of Iowa products and services across major industries, including agriculture, construction, energy, IT, food processing, machinery and many more. Year-to-date, Australia is Iowa's eight-largest export destination with nearly \$500 million in purchases of Iowa goods and services. The U.S.-Australia Free Trade Agreement makes U.S. goods more competitive there. In the fields of agricultural and construction equipment, Australia is one of the top two export destinations for Iowa companies. If you are interested in entering or expanding in this market, this IEDA trade mission is a cost-effective strategy. Benefits of participating include:

- Face-to-face meetings with potential partners to increase business
- Raise your company's international profile and grow your international network
- See the market potential first-hand and increase knowledge of opportunities
- Access IEDA support programs to increase exports

To reserve a space on this popular trade mission, contact joseph.rude@iowaeda.com or 515.348.6244.

Trade Mission to Thailand and Myanmar

June 12 – 20, 2020

Southeast Asia has emerged as one of the best opportunities for export-minded Iowa companies. Thailand is SE Asia's second-largest economy and is now a middle-income country. In fact, during the last decade, this fast-growing region's purchasing power has grown to rival developed markets in both its size and appetite for U.S. products and services. Thailand serves as an economic anchor for its next-door neighbor, Myanmar. As SE Asia's fastest growing emerging market, Myanmar offers opportunities in a wide range of industries. Prior to departure, participants will receive advanced market research, a list of pre-qualified potential agents/distributors, and a schedule of one-on-one business meetings. Upon arrival in country, participants receive a high-level briefing on best practices for doing business in Australia, transportation and interpretation support from IEDA.



For questions or more information on how this trade mission could benefit your company, contact joseph.rude@iowaeda.com at 515.348.6244



Find More Events at

iowaeconomicdevelopment.com/intlevents

and Educational Opportunities at

iowaeconomicdevelopment.com/intlcalendar

RECENT HIGHLIGHTS

International Chamber of Commerce - Incoterms® 2020 Rules

On October 17, the IEDA and the Cedar Rapids Metro Economic Alliance hosted Mr. Frank Reynolds in Hiawatha for a full-day seminar about the upcoming changes to Incoterms®. There were over 60 registrants – Cedar Rapids/Hiawatha was one of 20+ USA major cities on this national speaking tour. Attendees included exporters, importers, sales managers, forwarders, international trade lawyers, credit professionals — the upcoming changes are important to anyone involved in international trade.



As America's foremost Incoterms® authority, Frank Reynolds was uniquely qualified to explain these rules as they apply to U.S. trade practice. He brought over 50 years of hands-on practical expertise to the International Chamber of Commerce (ICC) 2020 Incoterms® working group where he represented the United States — as he also did for the 2000 and 2010 revisions.

What are Incoterms® rules?

The Incoterms® rules are the world's essential terms of trade for the sale of goods. "Incoterms®" is an acronym for "international commercial terms". Whether filing a purchase order, packaging and labelling a shipment for freight transport, or preparing a certificate of origin at a port, the Incoterms® rules are available to serve as a guide. The rules provide specific guidance to individuals participating in the import and export of global trade daily. Different practices and legal interpretations between traders around the world necessitated a common set of rules and guidelines. As a response, the International Chamber of Commerce published the first Incoterms® rules in 1936, and they've continued to develop and maintain the rules since.

Incoterms® 2020 rules go into effect January 1, which is the ninth revision since inception in 1936.

During the 2.5-year revision process, over 2,000 suggestions were received from the 130+ International Chamber of Commerce national committees and related organizations. The resulting 2020 version incorporates changes in both substance and presentation.

This revision's complete makeover of the seller/buyer obligation matching column presentation reflects the relative importance of each task. Important issues, including the apparent conflict between the FCA Incoterms® rule and on-board documentation, adequate insurance coverage, security compliance and others have been addressed.

The removal and subsequent reinstatement of the UCC Shipment and Delivery terms make this revision particularly interesting for Americans wishing to use Incoterms® rules in both domestic and international trade.

Additional information about Incoterms® can be found at:

<https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020>

Governor Reynolds leads trade mission to Japan

Governor Kim Reynolds led a meat-focused trade mission to Japan, November 8-14. Japan is Iowa's third-largest export market and the leading export market for Iowa pork and beef products. Tourism is booming as



Japan attracted 30 million tourists in 2018 and expect to draw 40 million by 2020 when Tokyo hosts the Summer Olympics. Governor Reynolds was joined by Secretary of Agriculture Mike Naig, IEDA and IFA Director Debi Durham, leaders from Iowa Pork Producers Association, Iowa Beef Industry Council, Iowa Corn, Iowa Farm Bureau Federation and meat suppliers. The Iowa team met with Japanese importers and toured retail, cold storage and meat processing facilities. They heard from the USDA Foreign Agriculture Service and corn and soybean organizations. The U.S. Meat Export Federation organized the trade schedule and provided insight on future opportunities for pork and beef. A special reception was hosted at the Ambassador's Residence by Joseph M. Young, Charge d'Affaires ad interim. The U.S. – Japan Trade Agreement was discussed in all meetings, and Japanese companies expressed optimism for growth of U.S. pork and beef exports to Japan.

OTHER EVENTS CALENDAR

Foreign Trade – Challenges and Opportunities

January 6, 2020: 11:30 a.m. – 1:30 p.m.

Secretary Naig will discuss the international changes, challenges and opportunities in the current global environment with a business and agricultural perspective. Included at the luncheon and available for one-on-one meetings after the event will be Ms. Peggy Kerr, Team Lead of the International Trade Office of the IEDA.

Parkview Event Center
1303 10th Street
Rock Valley, Iowa

Registration: <https://nwicc.edu/foreign-trade-challenges-opportunities/>

Contact Kathy Hill: khill7209@gmail.com or 515.229.5712 with questions or comments.

Registration payments (\$10 pp) can be mailed to:

Northwest Iowa Development, 603 West Park Street, Sheldon, IA 51201 or can be paid at the event.

GUEST ARTICLES

China – Remaining Engaged

Submitted by Iowa China Representative Office - Mr. John Clarke

Lingering U.S.-China trade frictions, along with increasingly pessimistic U.S. public opinion, have given many U.S. companies pause when considering opportunities for the China market. As we begin 2020, perhaps it's a good time to re-examine the risks and rewards of doing business in and with China.

On the positive side, China's economy continues to grow at approximately 6% per year and with a \$15 trillion economy, that adds up to significant new buying capacity every year. In fact, China's purchasing power is equivalent to the size of Germany, the UK, France, Italy, Brazil and Canada combined. China is also the third-largest buyer of U.S. goods with their consumers continuing to be receptive to foreign-made goods. Iowa's exports to China increased by a strong 11.77% as of October year-to-date, with gains in many product categories.

However, the risks must also be considered when dealing with China. While Chinese laws protecting intellectual property have steadily developed and improved, one in five respondents to a recent CNBC poll reported loss of company IP within this past year. China's cultural and regulatory barriers can also be challenging and require higher levels of diligence and commitment from Iowa companies. Operating in the China environment requires input and guidance from knowledgeable resources.

The bottom line is that simply ignoring the China risks and opportunities is not a good long-term strategy. China's emerging importance as a consumer, competitor and supply chain participant is likely to increase in the coming years. The good news is that both small and large Iowa companies from a variety of industries can and do compete successfully in China, but good strategies are needed – especially during these turbulent times.

CONTINUED ON FOLLOWING PAGE

Exporting Yields Good Harvests in Iowa

With support from EXIM

Submitted by Denis Griffin, denis.griffin@exim.gov, 612.348.1213

Think of “Iowa”, and visions of fertile soil, corn and state fairs might pop into your mind. Now, you can add exporting.



Reducing Risk. Unleashing Opportunity.

With 95% of the world population living outside the United States and the well-earned reputation of “Made in America” products being high quality and desirable, export opportunities are vast.

But, despite large worldwide opportunities, Iowa companies face obstacles when exporting. Unfortunately, commercial lenders are often reluctant to extend credit or offer financing to foreign buyers and requiring prepayment can ultimately lose a sale. Fortunately, Iowa companies are starting to leverage a valuable exporting resource - the Export-Import Bank of the United States (EXIM).

EXIM: Risk Less. Export More.

EXIM is an independent federal government agency that creates and sustains American jobs by facilitating the export of U.S. goods and services. With EXIM support, Iowa businesses of all sizes can win international sales in more than 180 countries.

Customer payment is essential to keeping any business afloat, and it is the primary concern of management. If foreign buyers don't pay, there is often little recourse for the seller, and the financial loss can sometimes be significant. Consequently, many U.S. businesses are wary of entering international markets.

EXIM's export credit insurance protects foreign accounts receivables against nonpayment by international buyers. Insurance covers up to 95% of the invoice value, so Iowa companies can be assured their bottom line will be protected if customers fail to pay.

The agency's insurance is also a sales tool that empowers U.S. companies to negotiate advantageous credit terms with qualified foreign buyers up front. Foreign buyers prefer open account credit terms rather than harm their cash flow by paying in advance. Offering credit can be the competitive edge that wins deals.

EXIM's export credit insurance has a third benefit. It can enhance a company's borrowing capacity to improve liquidity and ease cash flow constraints by assigning EXIM-secured foreign receivables to a lender. With this insurance in place, lenders are more likely to advance a loan against these receivables.

EXIM Supports Iowa Companies

For the past five years, EXIM has supported \$126 million of Iowa's export sales - whether its pool supplies, paper, vocation counseling or even pork. Of interest, 90% of EXIM's total transactions support small businesses. Plus, no deal is too small - in 2019, EXIM covered \$1,670 sales for one company and \$6.6 million for another.

The international market is ripe with potential. Join other Iowa companies increasing their sales by going beyond U.S. borders. To learn more, contact Denis Griffin at 612.348.1213 or Denis.Griffin@exim.gov.

WISHING YOU PEACE, HEALTH AND HAPPINESS IN THE NEW YEAR

from the Iowa Economic Development Authority's Des Moines-based International Trade Office:

Peggy Kerr, Team Leader and Europe/Middle East/Northern Africa

Mark Fischer, Marketing Manager, Agricultural Products

Joseph Rude, Marketing Manager, Asia/Pacific

Andrea Smith, Marketing Manager, Americas and sub-Saharan Africa

Lisa Longman, Financial Assistance Administrator

And from the IEDA's international representatives and team members around the world:

Iowa European Office

China Representative – Phoenix Consulting, LLC

Mexico Representative – Business Development Partners, S.A. de C.V.

Southeast Asia Representative – Orrisa International Pte. Ltd.

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