

## **IOWA-BRAZIL BUSINESS FORUM ON “DOING BUSINESS IN BRAZIL” (MAY 19, 2011) – DMACC CAMPUS, ANKENY**

The Greater Des Moines Partnership, the Ames Chamber of Commerce and Economic Development Commission and the Iowa Department of Economic Development (IDED) are sponsoring the Iowa-Brazil Business Forum on “Doing Business in Brazil” at DMACC on May 19. A high level group of speakers from Iowa, the US and Brazil will present on topics including the current economic outlook, legal aspects of doing business in Brazil and company case study presentations. Opportunities will be available for private meetings with some presenters. Watch for further announcements or contact Peggy Kerr at [peggy.kerr@iowa.gov](mailto:peggy.kerr@iowa.gov) in the meantime to receive updates.

## **FEED INGREDIENTS BUYERS MISSION AT THE WORLD PORK EXPO (JUNE 8-9, 2011) – DES MOINES, IOWA**

International feed ingredient buyers from Canada and Latin America countries will be in Des Moines during the World Pork Expo to meet with manufacturers of feed ingredients such as probiotics, livestock feed, milk replacers, dried distillers grains and supplements. If you are interested in learning more about the buyers or participating in one-on-one business meetings with these buyers, please contact Mark Fischer at [mark.fischer@iowa.gov](mailto:mark.fischer@iowa.gov), 515.725.3140 or Lisa Mason at [lisa.mason@iowa.gov](mailto:lisa.mason@iowa.gov), 515.725.3139.

## **GOVERNOR TERRY E. BRANSTAD TO LEAD A TRADE MISSION TO SOUTH KOREA AND NORTHEAST CHINA (JUNE 6-17, 2011)**

Governor Terry E. Branstad will lead a delegation to South Korea and Northeast China, June 6-17, 2011. The International Trade Office (ITO) of the Iowa Department of Economic Development (IDED) will organize your participation in the mission. Cities scheduled to be visited are: Seoul, South Korea, Shijiazhuang, Shenyang, Harbin and Beijing, China.

Companies and/or organizations interested in increasing their exports will have prequalified business meetings organized for them in partnership with IDED’s International Trade Office, the U.S. Foreign Commercial and Agricultural Services, Phoenix Consulting- IDED’s China contract representative, CCPIT and our Sister State of Hebei. The International Trade Office will also work with you if you want to participate at the Harbin Trade Fair, June 15-19, 2011. <http://en.ichtf.com/czzn/1.php>

Located strategically in the northeastern Asian continent, the Korean peninsula extends in a southerly direction for about 1,000 kilometers, separating the Yellow Sea from the East Sea. Boundaries with China and Russia are formed by the Yalu/Amnokkang and Tumen/Tumangang and to the east, Korea faces the islands of Japan. The area of Korea is 221,296 square kilometers (85,789 sq. miles), presently divided into the Republic of Korea (South Korea) and the Democratic People’s Republic of Korea (North Korea) at the 38th parallel latitude. The Republic of Korea is divided into six traditional regional provinces representing differences in topography, dialects and customs of the people.

The approximately 48.4 million inhabitants of South Korea carry a density of 487 per square kilometer. Population growth rate was rapid after World War II but has declined steadily to less than 1 percent since the late 1980’s. The population is most homogeneously Korean with increasing migrations from rural to urban areas since 1960. Urban concentrations are greatest in the capital of Seoul, with more than 10 million people, followed by Busan, the largest port and industrial center. Other large metropolitan areas include Gwangju, Daejeon and Ulsan.

China is the world’s most populated country with over 1.3 billion people and is divided into 23 provinces, five autonomous regions and four municipalities. In the early stages of China’s economy development, the focus was on coastal provinces and cities, however, in recent years, China’s focus of development has been in two areas: Western and Northeast China. “Northeast China comprises the three provinces of Liaoning, Jilin and Heilongjiang, with a total population of over 107 million people. The region is rich in natural resources, including coal, oil, iron ore and timber. Northeast China is the heavy industrial center for iron and steel, oil, petrochemical, shipbuilding, machine tools, aviation and automobile. The region is also an important agricultural, animal husbandry and forestry base, encompassing one of the world’s three black earth belts. The Northeast is China’s largest producer of corn, soybean and wheat. Production of fruit crops and aquaculture are also rising in significance.” [Source: U.S. Commercial Service, Shenyang]

To learn more about the mission and how to sign up, visit <http://www.iowalifechanging.com/intevents> or contact: Kathy Hill at 515.725.3141 or [kathy.hill@iowa.gov](mailto:kathy.hill@iowa.gov). ETAP funds will only be available to the first five eligible companies that complete the mission registration process.

## **PERU – COLOMBIA TRADE MISSION (JULY 9-16, 2011)**

While the Peruvian market was not immune to the economic downturn, U.S. exports to Peru in 2010 are expected to exceed the record numbers of 2008. Peru's economy is projected to expand by about 5 percent in 2010. Mining continues to be Peru's main export sector, accounting for approximately 60 percent of all exports in 2009. Infrastructure development remains a priority as well. As a result of the entry into force of the U.S. Peru Free Trade Agreement in early 2009, approximately 80 percent of U.S. industrial and consumer goods enter Peru duty-free. More than two-thirds of current American agricultural exports to Peru also benefit from such treatment. Best prospects for U.S. exports to Peru include mining industry equipment; construction equipment; oil and gas field machinery; pumps, valves, compressors; industrial chemicals; building products; food processing and packaging equipment; pollution control equipment; security and safety equipment; drugs and pharmaceuticals; air conditioning and refrigeration equipment; soybean meal; dairy products (whey and cheese); yellow corn; beef and offals.

Colombia ranks solidly with the group of progressive, industrializing countries worldwide that have diversified agriculture, resource and productive capacities. Currently, Colombia is the fourth largest market for U.S. exports in Latin America. Iowa exports to Colombia through October of 2010 exceeded the record exports of 2008. On November 22, 2006, the United States and Colombia signed a bilateral trade agreement, the US - CTPA. At this time, the Agreement has not been approved by the U.S. Congress. Under the US - CTPA, over 80 percent of U.S. exports of consumer and industrial products to Colombia will be duty-free immediately upon entry into force of the Agreement, with remaining tariffs phased out over ten years. Prospects for U.S. exports to Colombia include construction equipment for public roads and airports; water treatment, water supply, electric power generation, oil and gas exploration and pollution control equipment, air navigational and port security aids, railway construction, transportation equipment, security and defense items and services, mass transit systems, corn, soy products, automotive parts and accessories, computer hardware and software services, IT equipment and services, plastics materials and resins, electrical power systems, safety and security equipment, food and beverage processing and packaging equipment and medical equipment.

This trade mission is open to ALL industry sectors. Participants in the agriculture industry will find an added bonus as the trade mission will coincide with the FERIA INTERNACIONAL AGROPECUARIA Y DE INDUSTRIAS AFINES AGROEXPO 2011 ([www.agroexpo.com](http://www.agroexpo.com)). AgroExpo has been the premier biennial international agricultural and livestock event in the Andean region for over 30 years. It is considered the most important place for agro-industrial development because the Andean and Caribbean regions meet at this event to learn about state of the art scientific and technological advances for agriculture, livestock and all related industries and services. 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 515.725.3143 or [peggy.kerr@iowa.gov](mailto:peggy.kerr@iowa.gov) for discussion and to be involved as plans are finalized for this trade mission.

## **BRAZIL TRADE MISSION (OCTOBER 2-9, 2011)**

IDED is collaborating with the Greater Des Moines Partnership and the Ames Chamber of Commerce and Economic Development Commission who are leading a business mission to Brazil in October 2011. Participants will leave Des Moines on October 2nd and return on October 9th, and will visit the cities of Sao Paulo and Rio de Janeiro. IDED will offer an optional trade mission component for companies needing advance market research; identification and pre-screening of contacts meeting their criteria; one-one-one appointment scheduling and all necessary support services.

Brazil is the fifth largest country in the world in terms of population (196 million) and size. It is the 10th largest economy (by GDP – purchasing power parity) in the world. Brazil enjoys a growing middle class, growing Internet usage, and increasing internal demand for goods and services. Brazil weathered the crisis better than most major economies. Trade sources estimates that GDP growth in 2010 was 7.2 percent, and predicts further growth of 4.5 percent and 4.8 percent for 2011 and 2012 respectively, and that Brazil's economic outlook is positive, primarily driven by domestic consumer spending, incoming investment, and the continued high demand for the country's exports. GDP-wise, Brazil is bigger than all the other Latin America countries together, slightly larger than the continental U.S., with vast expanses of arable farmland, an abundance of natural resources, and 14 percent of the world's fresh water. Eighty percent of its electricity comes from hydropower. It has the most sophisticated bio-fuels industry in the world, and, for its size, the world's greenest economy. Latest releases about wind energy indicates that Brazil is going to become a leader in this clean energy as well. Brazil is already the largest producer of iron ore in the world and the world's leading exporter of beef, chicken, orange juice, sugar, coffee and tobacco. The country has a substantial manufacturing base and a large auto industry. Brazil will host the 2016 Olympics and the World Cup of 2014, which will likely result in increased infrastructure spending and an investment catalyst.

There are enormous commercial opportunities for U.S. companies in Brazil. However it is also has a complex business environment with substantial obstacles for US exporters which requires an intimate knowledge of the local environment, explicit and implicit costs of doing business, logistics, the complex customs system and IPR laws, etc. in order to be successful. These challenges make the advance preparation, on the ground support and access to a variety of experts during a trade mission crucial.

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## **OTHER INFORMATION**

### **FOOD MANUFACTURERS: CUT YOUR INTERNATIONAL MARKETING COSTS IN HALF!**

The Food Export Association of the Midwest offers qualifying Iowa companies export assistance such as a financial assistance (Branded Program) for your international marketing and promotional expenses, which can reimburse up to 50 percent of many expenses. You won't want to pass up the assistance and funding. Visit [www.foodexport.org](http://www.foodexport.org) and complete a pre-qualification application for the Branded Program today.

In addition to financial assistance, Food Export offers qualified companies a variety of programs. For example: Food Show PLUS! is a service that includes competitive product analysis, translation, interpreter, introductions, qualified trade leads, and more.

Some of the Food Show PLUS! being offered include:

- FY11 - Food Show PLUS! at Canadian Produce Marketing Association Show
- FY11 - Food Show PLUS! at Seoul Food Korea
- FY11 - Food Show PLUS! at HOFEX
- FY11 - Food Show PLUS! at SIAL Canada
- FY11 - Food Show PLUS! at International Food Ingredients and Additives
- FY11 - Food Show PLUS! at SIAL China
- FY11 - Food Show PLUS! at ExpHotel
- FY11 - Food Show PLUS! at Taipei International Food Show

Visit [www.foodexport.org](http://www.foodexport.org) for a list of all the upcoming events and services you could take advantage of. Or contact Lisa Mason at [lisa.mason@iowa.gov](mailto:lisa.mason@iowa.gov), 515.725.3139.

### **FREE REGIONAL NEWSLETTERS FROM IOWA IN-MARKET REPRESENTATIVES/OFFICES AVAILABLE!**

*International Education Newsletter* - A compilation of export/import education events in Iowa and surrounding areas, webinars, technical updates, etc. typically sent monthly.

*International Economy & Politics Brief — Mexico* - This is a monthly update from our Iowa Mexico Office (our representative Business Development Partners)

*China Agricultural Newsletter* - This is a monthly update from our Iowa China Office (our representative Phoenix Consulting LLC)

To receive any or all of these newsletters: [Sign Up Here Today!](#)

### **JAPANESE BUSINESS INTERN OPPORTUNITY (MAY 2011)**

Mitsui Fudosan is developing an overseas internship program for its young executives. Mitsui is the largest real estate company in Japan and is looking to send about 6 people per year for a 3 - 6 month internship in the U.S. The program will be starting in May, 2011. Would it be helpful for your company to have an in-house Japanese intern for 5 – 6 months to assist you in developing your markets in Japan, doing research for your product/service and assisting you with working within the business culture in Japan? Mitsui would cover the cost of the intern while they work within your company to help with firsthand market/strategy research, as well as potential partner research. IDED's Tokyo office will help your company follow-up on the opportunities identified. The profile of the interns would be English speaking, up-and-coming executives around the age of 30; the future leaders of the company. Although Mitsui is a real estate company (<http://www.mitsui-fudosan.co.jp/english/>) their primary objective is to educate their executives by learning to work in an American environment and become more internationally minded. For more information, please contact Kathy Hill, [kathy.hill@iowa.gov](mailto:kathy.hill@iowa.gov) 515.725.3141 or George Rose, Marketing Consultant for Mitsui Fudosan America, Inc., 609.802.1888 (cell).

### **WELCOMING THE YEAR OF THE RABBIT**

*Submitted by John E. Clarke, President, Phoenix Consulting – Contractor to IDED in China*

As China concludes the year of the tiger and enters the new year of the rabbit, it is interesting to note the past year's activity and the plans and opportunities for the future. As I have written before, China implemented a massive stimulus package in 2009 after the economic crisis in the world in late 2008 in an effort to sustain the all-important GDP growth rate for the country. Maintaining this GDP growth rate is an imperative for the communist party where job creation and fostering the velocity of money flow in the Chinese economy is critical in avoiding social unrest.

It appears that this program has been successful as indicated by China's 2010 GDP growth rate at 10.3 percent for the year compared to 9.2 percent for 2009. 2010 also recorded relatively few incidents of social unrest.

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## **WELCOMING THE YEAR OF THE RABBIT**

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So, what might be in store for the year of the rabbit? According to Chinese astrology, “the rabbit is everything the tiger is not”. Perhaps as supporting evidence, it is interesting to note that the year started off with a visit to the US by Chinese president Hu Jintao and the signing of some US \$45 billion of contracts between companies in the two countries. Prior to this visit, the Chinese RMB was also allowed to move and it appreciated by a small amount. Does this represent a newer, softer China rabbit that is now willing to recognize the codependency between the two countries? Perhaps. The bottom line is that China continues to grow their economy due the expectations of their citizens and with the support of the government. Relations with the Chinese government and with Chinese companies will remain challenging. And, while this tremendous growth is not without growing pains, it is creating opportunities for foreign companies supplying a wide range of products to the market including raw materials, machinery, and consumer goods. A good indication is the 19 percent year on year increase in spending by the Chinese consumer during this most recent Chinese Lunar New Year period. This is driving internal production and increased imports. According to Thomas Dorr of the US Grains Council, China is expected to increase corn imports from 1.57 million tons in 2010 to as much as 7.4 million tons in 2011. Soybean imports are also expected to increase from 9 million tons to approximately 10 million tons according to US government.

In meeting the needs of the citizens, it is clear that one area of significant growth in China for the near term is in the agricultural sector. There is a significant shortfall in agricultural production in China, resulting in focus by the Chinese government in their current five year plan (2011 to 2015). This new five year plan will direct significant government resources towards agricultural production and a wide range of agricultural technology.

What does this mean for Iowa companies? Is your company considering exploring the China market? For more information on researching potential China market opportunities for your company, please contact Kathy Hill at 515.725.3141 or [kathy.hill@iowa.gov](mailto:kathy.hill@iowa.gov).

## **YOUR INTERNATIONAL BANKER: YOUR PARTNER AND YOUR RESOURCE**

*Submitted by: Melissa Torner, Assistant Vice President-International Banking, Cedar Rapids Bank & Trust • [www.crbt.com](http://www.crbt.com)*

International banking has changed in Iowa since the heydays of the 1980's and 1990's, prior to the merger and acquisition craze. We've gone from a number of banks staffed with full international departments to just a handful of banks with any staff at all with true international experience.

Wherever you are, and whomever you choose to work with, understand this – we international bankers are a wealth of information, experience and resources. By necessity we work with experts in fields other than our own to bring a complete array of services, products and knowledge to our clients. I hope I speak for all of us in saying that a big part of our mission is to promote the export of Iowa products.

Did you know that international bankers routinely:

- Provide education and training, tailoring it to your firm's unique needs?
- Raise awareness of other training opportunities that could benefit your firm?
- Review Letters of Credit and documentation, offering suggestions and help?
- Seek out continuing education opportunities, to keep current and provide you with relevant assistance?
- Put you in touch with other exporters and importers, and service providers such as attorneys, insurers, and freight forwarders who can help you?
- Offer you the assistance of our larger correspondent banks when helpful, all while retaining the friendly feel of a local bank that cares about your success?

We handle a wide array of daily transactions:

- Obtaining foreign currency for travelers
- Processing foreign checks
- Processing incoming and outgoing international wire transfers
- Training and answering questions on the new revisions to the Incoterms
- Training on the UCP 600 – rules for Letters of Credit
- Soliciting credit information on foreign firms
- Assisting small businesses to obtain a letter of credit so they can increase their purchases from their suppliers

As you start down your export path - or work to expand your footprint around the world - be sure to include your local international banker in your plans. He or she is a wealth of information and experience, and a great partner to put you in touch with other helpful resources.