

GLOBALVIEW

MAINE INTERNATIONAL TRADE CENTER QUARTERLY NEWSLETTER

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MAINE IS INTERNATIONAL: Focus on Biddeford-Saco

As a statewide organization, Maine International Trade Center (MITC) has internationally engaged members located in all 16 counties that include manufacturers, service providers, and educational institutions. This article is the first in a series that will explore the diversity and dynamism of Maine's international community through profiles of our members and economic development partners across the state.

The Biddeford-Saco region is experiencing significant economic growth. With over \$200 million of investment in recent years, the once abandoned Mill District is the center of activity with over 150 businesses. Located in York County, these twin communities are the sixth (Biddeford) and eighth (Saco) largest cities in Maine. Here's a look at what international means to three MITC members in the region.

DeepWater Buoyancy

When people ask David Capotosto what his Biddeford company does, his answer might sound confusing.

"I say we make stuff that floats underwater," says Capotosto, Co-President and Director of Business Development at DeepWater Buoyancy. "Anyone that wants to put something heavy under the ocean and get it back someday probably needs us."

"Let's say you want to study ocean currents, or you want to look at the long-term effects of PH in deep sub-sea," continues Capotosto.



For such research, monitoring equipment must be placed on the sea floor beneath thousands of meters of water to collect data for some period of time and then later brought back to the surface.

DeepWater Buoyancy designs, engineers, and manufactures buoys that are sent off a boat with the measuring instruments and a heavy weight that sinks everything to the bottom. When it's time to recover the mooring, an acoustic signal is sent to the equipment telling it to detach from the weight, and the buoy floats to the surface bringing the instruments and data with it. The company is the worldwide leader in underwater buoyancy for the oceanographic community.

About 35% of what they produce leaves the country. The UK and China have been two strong markets, although Capotosto noted that the last round of China retaliatory trade tariffs will affect the landed cost of the buoys.

DeepWater Buoyancy was formed in 2013, but the product they make has been around for close to 40 years. Founded in 1979 as Flotation Technologies, the company was family run for many years then sold to larger companies out-of-state. Now, 4 former employees of Flotation Technologies own the new company, and many of the 22 employees have actually worked together for decades.

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President's Corner

Sustaining Roundtable Members

Bangor Savings Bank
Bank of America
BerryDunn
Broadreach Public Relations
CIEE: Council on International
Educational Exchange
Consulate General of Canada - Boston
IDEXX
KeyBank
Maine Department of Economic
& Community Development
Maine Technology Institute
Sappi Fine Paper North America
TD Bank

President's Roundtable Members

Acadia Benefits
Allen Insurance and Financial
Baker Newman Noyes
Bangor International Airport
BDN Maine
Camden National Bank
Chase
Diversified Communications
Finance Authority of Maine
FirstPark Commerce Park
Geiger
Kepware Technologies
L.L.Bean, Inc.
Maine & Company
Mainebiz
Maine Composites Alliance
Maine Manufacturing Extension Partnership
Maine Maritime Academy
Maine Port Authority
MEMIC
Nomad Pictures
Norman, Hanson & DeTroy, LLC
OCEANAIR Inc.
People's United Bank
Perkins Thompson
Pierce Atwood, LLP
Puritan Medical Products Company
Québec Government Office in Boston
Reed Exhibitions
Rudman Winchell
Sprague Energy Corporation
Tex Tech Industries
UK Department for International Trade
U.S. Small Business Administration
University of New England
Verrill Dana, LLP
Wells Fargo Bank, N.A.



Dear MITC Members and Friends,

We've been busy here at MITC and have some great new initiatives and opportunities to share with you.

- In September, we launched Global U, our rebooted practical skills training series! Reorganized into three tiers — entry, mid, and experienced — offerings range from Export 101 for beginners through advanced topics like compliance with International Traffic in Arms Regulations (ITAR) and ExporTech®. Visit MITC.com for a Global U 2018 - 2019 Calendar.
- On the overseas front, I had the opportunity to travel to Montenegro, where Maine's National Guard has a military-to-military partnership that is ripe for commercial expansion. In September, a small group visited the UK and Ireland (*see page 4*), and Maine lobster companies were in Hong Kong and Vietnam (*see page 5*).
- There is something different about this issue's cover article highlighting what a few of our members in Biddeford-Saco are up to on the international front. This new feature focuses on Maine's global engagement from a community perspective. I hope you'll enjoy discovering the wide variety of international activity going on all over our state.

Please feel free to give me or a member of the MITC team a call to learn more about any of this — we'd love to hear from you. Thank you for your ongoing support of MITC and our mission!

Wade Merritt,
President and State Director of International Trade

STEP Financial Assistance Awards with New Incentives



The U.S. Small Business Administration's State Trade Expansion Program (STEP) grant initiative provides funding to increase the number of businesses that export. The objective of MITC's STEP Financial Assistance Award is to encourage Maine companies to seek new international sales through financial reimbursement for activities such as international trade show participation or business matchmaking services. Eligible Maine companies may receive a base award of up to \$3,000 with additional bonus amounts for a rural business (located outside of Cumberland or York Counties); a first-time, STEP-supported activity; and/or an activity in a priority market (Asia, Latin America, or North Atlantic-Arctic). View eligibility guidelines and apply online at MITC.com.



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The company has been selling internationally for many years and seeks out Maine International Trade Center for guidance on work-force development, market research, export controls, and grant assistance.

"We're buoyancy specialists, not grant specialists, so having access to people who know about the grant world and the other resources at MITC, instead of creating it all in-house, makes sense for us," said Capotosto.

The company anticipates significant growth in the next 5 years which includes launching new products, expanding into new markets, making capital investments, and hiring more people. Growth that is exciting, yet also measured.

"Strategically, we take a conservative approach because we want sustainable success for everyone," says Capotosto. "We want this to be around for the children of our employees should we be so blessed and fortunate to have our markets remain strong."

Thornton Academy

Nearly a decade ago, Thornton Academy made a deliberate decision that significantly altered the look of its student body and campus in Saco.



In 2009, the school decided to expand its outreach to international students. That decision has enriched the school on all levels.

"The residential program bolsters our enrollment, provides a wonderful experience for kids coming over, and changes the world view of our local students," says Abby Gagnon, Director of Enrollment and Marketing at Thornton Academy.

Today, the school's student body of 1,600 includes more than 200 international students, representing 41 countries including China, Vietnam, Mexico, Spain, and Russia.

Thornton Academy is a unique educational model. It serves as the publicly funded option for grades 6-12 students who live in Saco, Dayton, and Arundel. But, as an independent institution, the school can also choose to enroll students from other communities and countries.

According to Gagnon, many international families who want their children to graduate from a US college or university believe attending secondary school here first will better prepare them to reach that goal. As a result of actively pursuing this market, there are now more than three dorms on campus that house international students. Boarding students pay tuition of \$46,000 plus fees per year at Thornton Academy.

The added revenue stream has allowed the school to significantly increase its program offerings including 42 honors classes, 7 foreign languages, and 35 studio and performing arts courses.

Gagnon and her team travel the world seeking out students who will be a good fit at Thornton Academy. Maine International Trade Center's StudyMaine initiative has organized education missions to Kazakhstan, Russia, Thailand, and Vietnam that have helped with their international student recruitment.

"It's very easy to promote Maine because of the natural surroundings," says Gagnon. "Trails and oceans are a big draw for kids coming from super-crowded and smoggy cities. Safety is also a major concern for parents, and we can easily talk about how safe Maine is as a state."

Mixing international students who live on campus with day students who have been friends since kindergarten is a challenge and an opportunity. According to Gagnon, they have to be willing to go beyond their comfort zones to find each other and embrace the unfamiliar.

"It's amazing to be able to meet people with so many different backgrounds - American students, Ukraine, Hungary, and everywhere," says Dasha Sabirova, a senior from Ukraine who has spent the past four years at Thornton Academy. "You are welcomed in every country, because you now know people from all over the world."



Xuron Corporation

Over 30 years ago, a man drove a rented van around Europe looking to sell a US made precision hand tool. Some of the distributors he

landed on that first European tour are still customers of the company that he represented.

That's how Xuron Corporation went international. Now, up to 30% of their sales in a given year are outside the US.

"We have a good base of customers in Europe," says Abby Robey, Director of Sales and Marketing at Xuron. "The UK especially is a good market for us, both consumer and industrial."

Founded in 1971, operating out of an old dairy barn in Connecticut, the company manufactured one product designed specifically for the electronics industry to trim lead wires. The product design was so unique, it earned a US patent. That single tool has expanded into a line of more than 100 products sold in 31 countries.

"Our products meet the needs of markets that are growing," Robey explains. "That's anything that involves wire like airplanes, appliances, or fiber optic cables for communications."

Today, Xuron is considered one of the world's leading manufacturers of ergonomic, electronics grade hand tools for the aerospace and electronics industries, as well as consumer markets.

"I think we did a great job getting into those consumer markets before anyone else did," says Robey. "People who do plastic kit modeling, model railroading, jewelry making, and DIY crafting, they all know our name."

A name, Xuron says, that is known for high quality.

In 1986, the company moved to Saco; 2 years later, Robey joined Xuron, starting out in a temporary administrative position. Most of the 33 employees have been with Xuron for 10 or more years.

"It's like the roach motel," Robey jokes. "You check in, but you don't check out!"

Employee longevity allows Xuron to fully focus on manufacturing the many thousands of cutters and pliers they sell annually. In the consumer market, Hobby Lobby is one of their key customers, and end users of Xuron® tools in the industrial markets include manufacturers of commercial and military airlines, as well as high tech electronics.



The company launches a new product in the US market first and then considers how they might be able to roll it out internationally. Xuron has utilized Maine International Trade Center for education, advice, and help creating an export compliance program.

"I think every company owes it to themselves to look into international markets," advises Robey. "If you don't at least look beyond the US, you won't know the complete market potential for your products."

According to Robey, 2016 and 2017 were both growth years for Xuron. The company added new employees for both first- and second-shift factory operations. They also invested in new equipment to improve production output and efficiency.

Interestingly, it's Millennials that the company believes will help drive growth in coming years. Robey says the "Maker Movement" that's bringing younger people into the DIY market by putting a more modern spin on arts and crafts is introducing Xuron to a whole new audience.

Maine Delegation Visits UK & Ireland



Acting Commissioner Denise Garland of the Maine Department of Economic and Community Development; UK Regional Envoy to the US, Mark Garnier MP; Director of the Maine North Atlantic Development Office (MENADO), Dana Eidsness; and Director of Polar Research and Policy Initiative, Dr. Dwayne Menezes at the 'Maine and the UK' reception in the Palace of Westminster.

In early September, a delegation of economic development, government, and business representatives visited the United Kingdom and Ireland.

Following a stop in London where the group discussed Maine exports with US Embassy staff and promoted the state's work in the Arctic and North Atlantic at the British Parliament, the group moved on to Leeds where it participated with the Maine Beer Box at the Leeds International Beer Festival, after a civic welcome by the Lord Mayor.

In Ireland, meetings were held in Dublin with Bord Bia and Enterprise Ireland to discuss best practices in export promotion and explore opportunities for collaboration. The visit wrapped up in County Cork, where the state entered into an economic cooperation agreement with the County government, and Maine lobster was highlighted at the Taste of West Cork food festival.

If you'd like to learn more about how your company could take advantage of the valuable connections made in the UK and Ireland, contact Dana Eidsness at eidsness@mitc.com.



In 2017, US food and agricultural exports to Canada totaled \$20.5 billion, which once again ranked Canada as the top US export destination.

Canada accounts for nearly 15% of all US food and agricultural product exports. Canada remains the top market for US exports of consumer-oriented products, reaching \$16.2 billion in 2017, which is nearly twice that of Mexico, the second largest consumer food export market.

In the past 25 years, US food and agricultural exports have grown a staggering 286%, taking advantage of the opportunities through NAFTA.

Similar consumer preferences, geographic proximity, and an open and transparent marketplace, all help make Canada the leading market for US food and agricultural exports.

Upcoming opportunities to grow your Canadian export business with Food Export USA and MITC in 2019

- **Food Show Plus** services will be available during CHFA West, Western Canada's largest natural health and organics trade event, February 22 - 24, 2019, in Vancouver. CFHA West offers a great opportunity to meet with hundreds of natural health manufacturers, distributors, and brokers. Food Show Plus services help you get the most from your trade show experience, offering introductions to buyers, market briefings, retail tours, and post-show leads.
- Toronto will play host to a **Focused Trade Mission to Canada for Specialty and Natural Products**, April 1 - 5, 2019. Focused Trade Missions take place outside of the traditional trade show venue and provide one-on-one meetings with qualified buyers, custom product research, importation and distribution analysis, market briefings, and retail store tours.
- **Food Show Plus** services will also be offered during **SIAL Canada**, the country's largest food and beverage trade event, April 30 - May 2, 2019, in Toronto. Last year's show featured more than 850 national and international exhibitors from 50 countries hosting over 15,000 buyers from Canada, the US, and 60 other countries.

Cost offsets are available for these activities through the Market Access Program's (MAP) branded funding. For additional information about the MAP program and developing your Canadian marketplace, please contact MITC Canada Desk Director Jeff Bennett at jbennett@mitc.com or 207-553-7709.

Several Maine Lobster Companies Travel to Growing Markets for Seafood Expo Asia and US Seafood Mission to Vietnam

The Maine lobster industry was well represented at this year's Seafood Expo Asia event in Hong Kong. The event — designed for seafood professionals, including buyers and chefs, looking for new suppliers, products, or trends — features 234 exhibiting companies from 31 countries around the world. Exhibiting this year were Belle Cove, LLC, Cozy Harbor Seafood, Greenhead Lobster, Maine Coast, Lobster Trap (with buying stations in Maine), and Ready Seafood.

Senior Trade Specialist Jeff Bennett traveled on to Vietnam to participate in a larger US seafood buyers' mission to the southeast Asia region along with Greenhead Lobster, Maine Coast, Lobster Trap, and Ready Seafood. The companies toured hypermarkets and seafood facilities, attended country market briefings, and held one-on-one meetings with potential buyers from Vietnam, Singapore, Cambodia, Malaysia, and Thailand.

Southeast Asia, and Vietnam in particular, represents a rapidly growing market for US seafood and Maine lobster.



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WHAT'S AHEAD

ITAR Training

November 1 • 8:30 a.m. - 4:30 p.m.
Abromson Center, USM, Portland, ME

International Marketing & Global Social Media

November 15 • 11:00 a.m. - 12:00 p.m.
Live Webinar

Annual Member Holiday Reception

December 11 • 5:00 - 7:00 p.m.
US Custom House, Portland, ME

