

international update

Iowa Economic Development Authority

September/October 2012

lowa export news

lowa exports grew by double digits in the first six months of this year compared with the same period of 2011, according to new data from the International Trade Administration.

lowa manufactured and value-added agricultural exports increased 22 percent in the first half of 2012, growing from \$6.3 billion to \$7.7 billion. The rate of percentage growth topped the seven percent national average for merchandise export growth for the same period.

export regions and top ten export markets

January to June, 2012

CENTRAL EUROPE & RUSSIA \$214,208,946 THE AMERICAS Russia TOTAL REGION: \$443,098,088 Canada \$2,201,803,880 2 \$1,448,084,433 Mexico \$384,938,471 Brazil ASIA, PACIFIC & OCEANIA TOTAL REGION: \$4,309,706,326 \$455,344,481 Japan China \$349,536,643 **EUROPE** \$214,187,007 Australia THE MIDDLE EAST TOTAL REGION: \$1,575,213,492 Germany \$367,619,666 TOTAL REGION: \$136,952,204 United Kingdom \$198,963,038 \$182,165,793 10 France **AFRICA** TOTAL REGION: \$1,144,113,332 TOTAL REGION: \$101,480,309

growth rate in top export markets January to June, 2011 & 2012

Canada +11.4% Mexico **+45.3%** Japan -9.1% Brazil +64.8% +24.3% Germany +39.6% China +56.4% Australia +24.7% 2012 United Kingdom 2011 France +31.9%

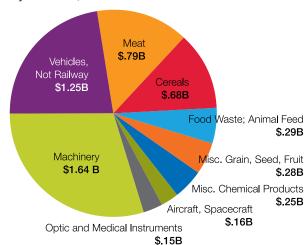
1,000

1,500

2,000

2,500

top export commodities *January to June, 2012*



500

Millions

Mexico and Central America Grain Buyers Mission to Iowa

(October 8-10, 2012)

The Iowa Economic Development Authority (IEDA) will bring grain buyers from Mexico and Central America to lowa during harvest season to see crop progress, learn about the lowa grain industry and meet with grain exporters. IEDA will work with the lowa Corn and lowa Soybean associations on this mission. Iowa grain suppliers interested in meeting with the buyers should contact Mark Fischer at 515.725.3140 or mark.fischer@iowa.gov.



FIGAP/VIV América Latina 2012 Guadalajara, Mexico (October 17-19, 2012)

The Iowa Economic Development Authority's International Trade Office is coordinating an Iowa pavilion at the FIGAP/VIV América Latina 2012 (figap.com). This biennial exhibition brings together the agro-industrial and livestock sectors and the feed-to-meat supply chain in Mexico. Feed-to-meat brings together supply and demand within the complete animal protein chain, driven by the concept that animal feed and animal health are vital for meat quality and safety. VIV América Latina will represent every step in the meat production process.

Target sectors include:

Agricultural equipment Animal breeding Animal health Aquaculture companies Dairy processing Egg processing Equipment for slaughter houses Farm equipment Feed Feed and forage manufacturers Feed ingredients and additives Genetics

Grain and seed buyers/traders

Grain/ingredient storage and

handling equipment

Industrial feed processing

equipment & supplies

Knowledge transfer and consultancy Livestock Machinery for the feed industry Meat ingredients Meat processing, packaging, handling and refrigeration Meat, dairy, egg products Nutrition Pet food manufacturers Poultry production Raw materials Slaughter equipment Software Transport companies (rail, freight, customs agents)

Ingredients and additives

Target visitors include:

Distribution/wholesale/retail/trade meat (products) Farm / industry equipment suppliers Feed ingredient and additives companies Feed mills Large-scale integrated companies Meat processors Meat slaughtering companies National / local authorities Other distribution / trade agencies Poultry/pig/cattle/fish/agricultural farms Research / consultancy Veterinarians

In addition to the exhibition, there will be conferences and seminars presented by high-quality experts on the issues.

Visit iowaeconomicdevelopment.com/intlevents or contact Peggy Kerr at 515.725.3143 or peggy.kerr@iowa.gov if you are interested in attending the show.

The Big 5 Trade International Building and Construction Show -Dubai

(November 5 – 8, 2012)

The Big 5 show connects you to more than 50,000 buyers from across the Middle East. Exhibitors showcase the largest and most innovative range of construction products and services including:

Bathrooms, Kitchens & Sanitary Ware **Building Services** Conveying Systems **Decorative Products** Doors & Windows Electrical Systems Finishes (Coating, Painting, Gypsum, Tiling etc) Fire Suppression & Protection Glass & Glazing **HVAC** Landscaping Products & Services

Marble/Ceramic/Stone Metal/Steel/Aluminum Pipelines Plumbing/Water Technology Safety & Security Equipment Scaffolding Software / IT Special Construction (Swimming Pools, Fountains) Thermal Moisture Protection/Insulation

Wood, Plastic & Composite

New for this year is the introduction of business matching events. The events will be designed to match manufacturers and distributors as well as to facilitate introductions and business between key buyers and suppliers.

What makes the Big 5 unique?

- The largest and best attended construction event in the Middle East that attracts buyers from the whole Middle East and North Africa region
- The only event that provides free educational programs and over 130 free seminars to help exhibitors trade in the Middle East
- The only event that matches international manufacturers with local distributors
- The only event to invest in a key buyer programs which attracts 600+ of the region's most influential buyers

Export Trade Assistance Program (ETAP) grant funding will be available to eligible companies.

For more information about your participation at the Big 5 (www.thebig5.ae), contact Kathy Hill at 515.725.3141 or kathy.hill@iowa.gov.

EuroTier 2012, Hanover, Germany

(November 13-16, 2012)

EuroTier 2012 is the key European trade show for animal husbandry and is held every two years in Hanover, Germany. More than 140,000 visitors attend to gather information about machinery and equipment, genetics, farm inputs and services for modern animal husbandry, as well as the field of bioenergy from 1,900 exhibitors. This show is a must for livestock industry suppliers looking for customers in Western Europe, Eastern Europe, and Russia. For more information, contact Mark Fischer at 515.725.3140 or mark.fischer@iowa.gov.

Iowa Meat Trade Mission to Korea and Japan

(December 8-15, 2012)

Japan is Iowa's most important export market for lowa meat suppliers. In 2011, lowa exporters shipped \$586 million in meat products to Japan and \$196 million in meat products to Korea. High disposable income, embracement of technology, desire to improve the diet, and an appreciation for high quality, safe products creates demand for lowa meat products in Japan. An outbreak of footand-mouth disease in Korea led to a big increase in U.S. exports in 2011, but the Korea Free Trade Agreement is creating long term opportunities for Iowa suppliers. Contact Mark Fischer at 515.725.3140 or mark.fischer@iowa.gov.

Iowa Trade Mission to Vietnam and Philippines (February 2013)

Growing demand for meat products in Southeast Asia is creating opportunities for lowa suppliers. In 2011, Iowa companies exported \$9.3 million in pork and \$27.9 million in beef products. During the first four months of 2012, the export pace picked up as lowa pork exports increased 141 percent, and lowa beef exports grew 65 percent. This mission will work with U.S. Meat Export Federation to identify additional opportunities in these growing markets. Contact Mark Fischer at 515,725,3140 or mark.fischer@iowa.gov.

Iowa Trade Mission to Honduras, El Salvador, Mexico (March 2013)

CAFTA is creating opportunities for Iowa companies to increase their exports to Central America, while Mexico continues to be a driver in south of the border meat exports. In 2011, Iowa companies exported \$167 million in pork to these three countries and \$11.4 million in beef. This mission will explore new opportunities in this region of the world and will also be used to recruit meat buyers to travel to lowa to meet with suppliers. For more information, contact Mark Fischer at 515.725.3140 or mark.fischer@iowa. gov.

reports

State of Iowa - China Representative Office

The State of Iowa's China Representative Office issues a monthly agricultural update. Access these reports at the following link:

www.repiowachina.com/english/index.php

State of Iowa - Mexico Representative Office

The State of Iowa's Mexico Representative Office has a blog on current trade, business, politics and life in Mexico. Access this blog at the following link: www.bdp-americas.com/blog/

Ocean Shipping Container Availability Report (OSCAR)

This U.S. Department of Agriculture's (USDA) OSCAR report provides a weekly snapshot of the availability of marine shipping containers at 18 different intermodal locations for the westbound transpacific trade lanes. The data shows the availability for five types of equipment, including 20 and 40 ft. dry, 20 and 40 ft. refrigerated, and 40 ft. high cube containers. It also provides estimates of equipment availability for the current week and projections two weeks out. The data is voluntarily provided to USDA's Agriculture Marketing Service by all ten members of the Westbound Transpacific Stabilization Agreement (WTSA). Check out this week's issue at www.ams.usda.gov/oscar or send a message to april.taylor@ams. usda.gov to subscribe to this free, weekly publication.



new rules for Chinese visa application

With the imminent change in leadership in China in October, the Chinese government is tightening up the visa application process. Effective immediately, all applicants will require additional documentation as follows:

FOR BUSINESS VISA (F VISA)

An invitation letter from the sponsoring company in China

- Must be on company letterhead in China
- Must include the following information:
 - A. Personal information of the invitee: name, gender, date of birth, passport number and date of passport's expiration
 - B. Information concerning the invitee's visit to China: purpose of the visit, date of entry and exit, places to visit, relationship between the invitee and the inviter and who will be financially responsible for the invitee
 - C. Information of the inviter: name of the inviter, inviter's phone number, inviter's address, and seal and signature of the legal representative in China
- A copy by email or fax is acceptable
- Must be signed and sealed by an authorized person

FOR TOURIST VISA (L VISA)

One of the following documents is required:

- 1. Photocopy of the hotel reservation and roundtrip airline ticket/travel itinerary
- 2. An invitation letter issued by companies, corporations, institutions and individuals in China. If an individual issues the invitation letter, a photocopy of the ID of the individual must also be submitted.
- 3. An invitation letter for a tourist by a Duly Authorized Tourism Unit

This information is provided by the U.S. China Chamber of Commerce (usccc.org) please contact them at 312.368.9911 for further details or assistance.

China's economy - shifting to the consumer

Submitted by: John Clarke; President, Phoenix Consulting; State of Iowa - China Representative Office

After months of economic and policy tightening by the Chinese government designed to cool down an overheating economy, China's industrial output in July has reached 9.2 percent growth a decrease from 9.5 percent growth in the prior month and the lowest level since May of 2009. GDP growth, as compared to the prior year's guarter, also decreased to 7.6 percent in the second quarter of 2012 and down from an 8.1 percent growth rate in the first quarter.

How did the Chinese consumer hold up with this successful slowing of the economy? Very well. Household consumption as measured by retails sales growth held strong with a 12.2 percent growth rate in July, which was a slight increase from the 12.1 percent number in June. Purchases of passenger cars were also up 11 percent over the same period as last year.

With the upcoming change of Chinese government leadership this fall, coupled with a consumer price index holding below two percent, and continued trouble in European economies, China is again starting to stimulate their economy. Thus far, this has included two consecutive cuts to the country's benchmark interest rate in June and July and rumors of increased infrastructure spending by the government's National Development and Reform Commission.

If your company is interested in exploring the China market for the sale of your products, this might be a good opportunity to catch the next growth wave in China and the shift to more buying by the Chinese consumer. For more information on researching potential China market opportunities for your company, please contact Joseph Rude at 515.725.3023 or joseph.rude@iowa.gov.

guest article

Submitted by: Tim Woods, President, Central Iowa Chapter International Traders of Iowa

The International Traders of Iowa (ITI) is an organization with a mission to serve the businesses in Iowa in their pursuit of world trade. Through forums developed to exchange practical information, ITI works with lowa businesses to promote exporting, importing and investment in global enterprises.

ITI is dedicated to the growth of international business and trade in lowa via its educational and networking opportunities in the arena of import-export, global logistics, communications and cross-cultural understanding. For a program year that runs annually from September through May, ITI sets a schedule of events. Each month events such as dinner meetings, facility tours and other forums sharing the "how to's" of international trade, offer members the opportunity to network and to learn from the experiences of others.

A growing organization, ITI recently added an Eastern lowa Chapter (EIC) and a Drake University Chapter (DUC). The additional chapters have doubled the membership and brought a new dynamic to the organization. ITI is truly a statewide organization. To accommodate the ability to add new chapters, the board revised the by-laws and created an ITI State Board for oversight of the organizations.

The State Board is currently working on policy and procedures for the entire organization. ITI held its first State Annual Dinner on August 23rd. Membership information, board members, upcoming events and other news can be found via the ITI website www.iowatraders.com.

We're excited about the future and encourage anyone interested in international trade to join us. It's a great group of people representing companies large and small, sharing challenges and successes in the world marketplace. We are committed as a group to provide relevant information and also create networking opportunities in the process.



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