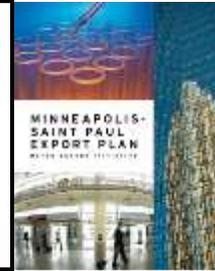


# MSP Export Initiative

## Leadership Talking Points

### January 2013



#### EXPORTS ARE A BRIGHT SPOT IN THE ECONOMIC RECOVERY

- U.S. exports have repeatedly expanded in the past three-and-a-half years.
- As of 2011, MSP exports were valued at \$26 billion, 10th highest among the top 100 U.S. metros. This includes approximately \$6 Billion in goods produced elsewhere that leverage the region's infrastructure to export.
- Less than 1% of the 30 million businesses in the U.S. export. Increasing this percentage will provide a boost to the American economy and provide more jobs throughout the nation.
- Free trade agreements with 17 countries provide more exporting opportunities for U.S. businesses (Australia, Bahrain, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Mexico, Morocco, Nicaragua, Oman, Peru, Singapore).
- Minnesota's top export markets include Canada, China, Mexico, Japan, and Germany.

#### GROWING EXPORTS ARE CRITICAL TO MSP'S SUCCESS

- The Minneapolis-Saint Paul metro long-term economic growth depends on expanding and diversifying exported industry sectors.
- Exporting enables companies to diversify their portfolios and to weather changes in the domestic economy.
- 95% of world's population and 75% of the world's purchasing power are outside U.S.
- Exports account for approximately 117,200 jobs annually in the Minneapolis-Saint Paul area.
- For every \$1 billion exported, there are 6,250 jobs in the manufacturing sector created or supported.
- Exports bring new capital to the region that is invested in capital expansion, housing and retail sales. There is a multiplier effect beyond the direct jobs.
- Exporting forces companies to be at the "top-of-their-game" which drives innovation and productivity gains that can benefit all businesses in the region.

#### MSP Export Highlights

**Ultimed** manufactures diabetes care products and current exports to Canada and the Caribbean. The Trade Office is assisting the company in exploring the India market.

**Versare Portable Partitions** manufactures portable room divider systems used primarily by schools, hospitals and hotels to divide large event spaces and multipurpose rooms. With export team member help, Versare is exploring Middle Eastern markets. They recently gained a foothold in Bahrain thanks to an introduction to a trade delegation to MSP made by Edina Mayor Jim Hovland.

**Seafood Resources International** is a new client of the Export-Import Bank, using Ex-Im's export order insurance to support sales to Mexico. The Export-Import Bank just opened a branch in Minneapolis in 2012 to more effectively serve MSP exporters.

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## EXPANDING EXPORT REACH IS THE PRIORITY FOR MSP

- Expand the number of companies exporting and increase the number of countries to which companies export. The goal is to double exports from MSP by 2017
- Small and medium sized exports represent an opportunity for growth as nearly two-thirds sell to only one foreign market; however, many of these firms could boost exports by expanding the number of countries they sell to.
- Manufacturers who exported saw their revenues grow, by 37 percent, through 2009, compared to non-exporters who saw their revenues decline by 7 percent
- Exporting isn't just for manufacturers. One third of Minnesota exports are in the services sector (architecture, engineering, law, education/foreign students).
- Small businesses create 70 percent of the new jobs in America. It is important to help these firms increase their exports to help them grow.
- More than two-thirds of exporters have fewer than 20 employees.

## WHAT YOU CAN DO

- Be an ambassador for exporting. Metro leaders are critical actors for helping boost national and global trade by adopting strategies to enhance their global trade position.
- Help small and mid-sized businesses see the opportunity. Many businesses are busy running their day-to-day operations, and they don't look into exporting. Many businesses also have misconceptions about exporting—they may think it's too burdensome, believe it's just for larger firms, or are not aware of the services offered by local, state and federal partners.
- Organizations exist in MSP to help with:
  - **Market Intelligence** to help exporters target the right market(s) for their products and services.
  - **Export Counseling** to provide firms with the information they need to navigate the export process from beginning to end.
  - **Business Matchmaking** services to connect businesses with the right partners and prospects.
  - **Trade Event Support** helps exporters expand global sales at international trade fairs
  - **Finance and Insurance Support** helps explore opportunities for businesses
- Refer business owners to the following contacts to help connect with these services
  - Minnesota Trade Office: [Exportminnesota.com](http://Exportminnesota.com), 651-259-7498
  - U.S. Commercial Service: [www.export.gov/Minnesota](http://www.export.gov/Minnesota), 612-348-1638

### MSP Export Highlights

**Julia Knight, Inc.** discovered a Middle Eastern market for their high-end housewares when a Rochester retailer sold out of the product. Saudi princes visiting the Mayo Clinic were buying in volume. Julia has placed her line at the Dubai Bloomingdales and joined Congressman Keith Ellison's recent trade mission to Saudi Arabia. Ten percent of the company's current sales are international, supporting recent hires. The company's target is 50%.

**Lion Precision** manufactures sensors for measuring nanometer scale distances at high speeds with applications in industrial IT markets and research facilities. As much as 58% of total revenue has been from international sales in recent years, and they won a Governor's Global Trade Award in 2008. Japan and China are major markets for their products.

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