



Department of Commerce
Innovation is in our nature.

International Export Program Business Services Division

June 16, 2014

Mary Trimarco, *Assistant Director*
Mark Calhoon, *Senior Managing Director*
Business Services Division

CHOOSE  **Washington**

Business Services: Diversifying our state economy



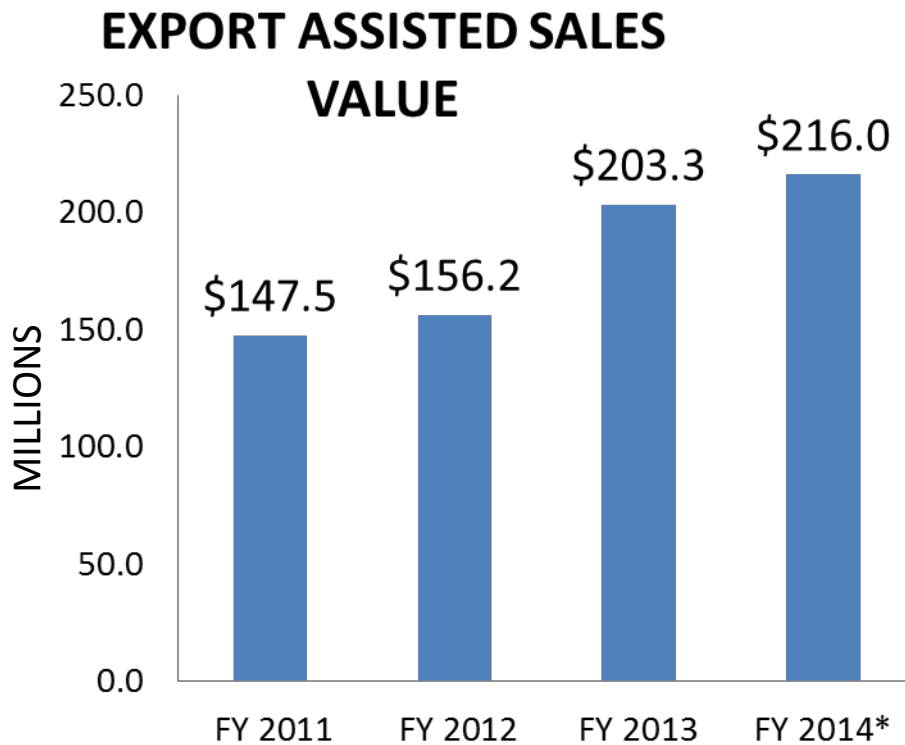
Results for FY 14

- Responded to 1005 requests for assistance from 445 WA small businesses
- Assisted these companies with \$216 million in new export sales

International Trade services

- Connect WA small businesses with international customers, through high level access WA State can access
- Research and develop new export markets
- Locate strategic partners
- Risk mitigation and advocacy to remove roadblocks
- Conduct trade missions
- Bring new businesses to Washington
- Financial assistance for trade missions

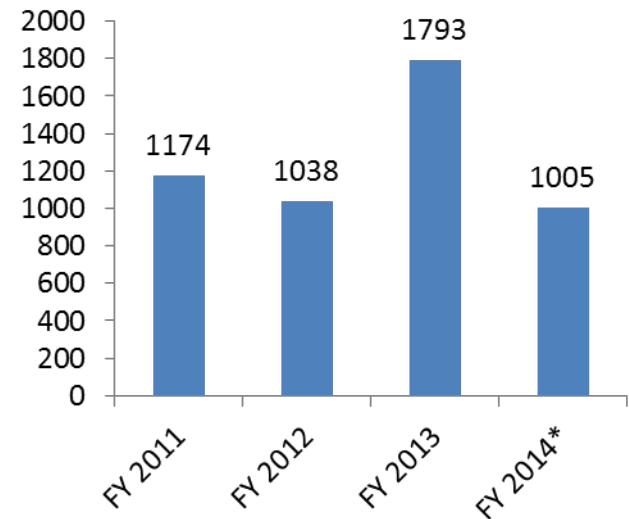
Results of our international trade work



Sales data as reported by companies. Combines data from Trade and EFACW.

* Fiscal year 2014 data to date.

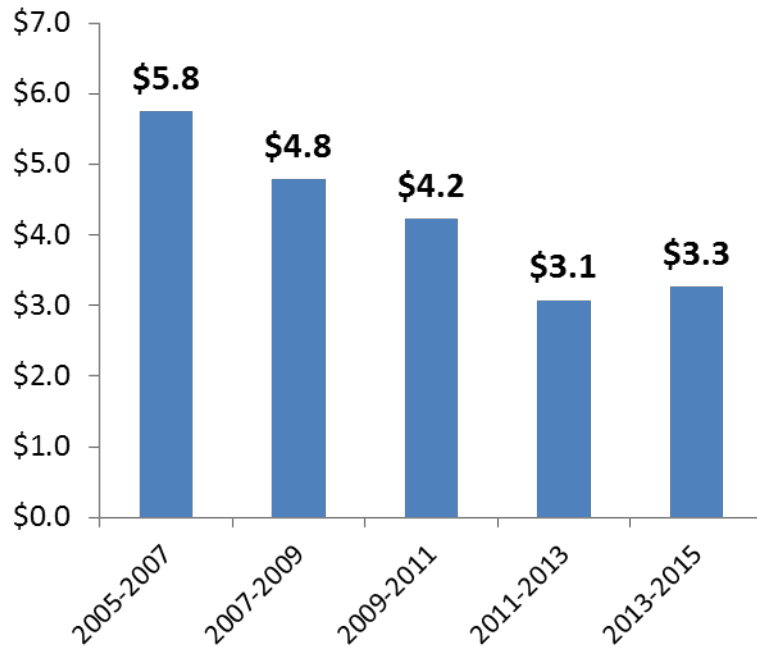
NEW EXPORT ASSISTANCE PROJECTS MANAGED



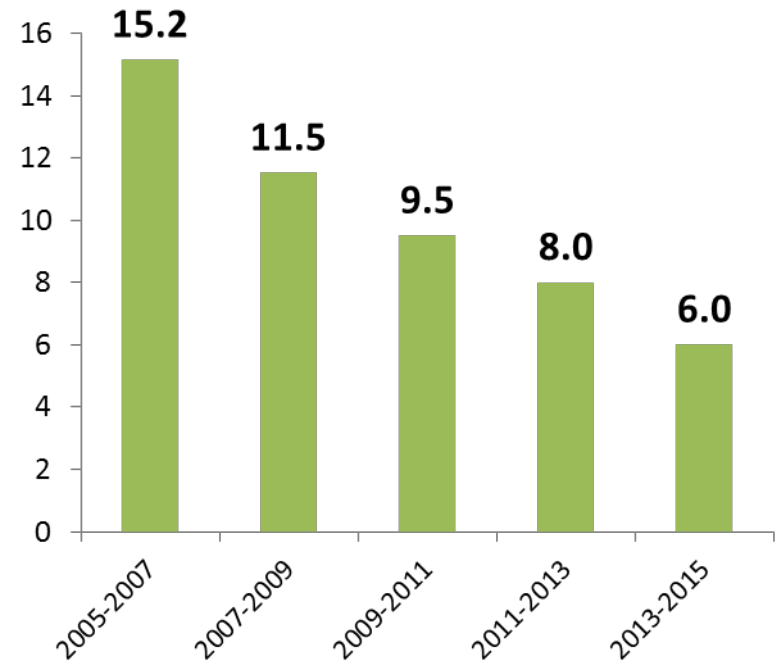
455 companies assisted in FY 2014 to date.

International Trade Program: State Budget

Biennial Budget in millions

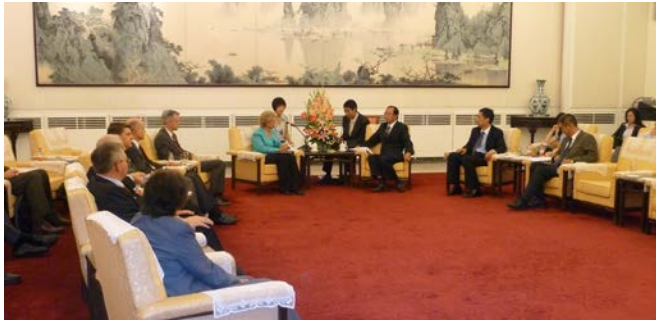


FTEs



FY 2011-13 → \$3 million in federal STEP funding helped compensate for GFS reductions, and funded 3 FTE project positions

The role of state government in international trade



- Integrated into the overall state economic development strategy
- Add credibility for WA small businesses in foreign markets and leverage government to government assistance
- Use WA State international protocols to get high level foreign government and business access for WA small businesses
- Provide economies of scale and increased exposure for WA small businesses at major international trade shows
- Small and medium companies lack resources to develop export sales on their own
- Connects them to the right resources, including federal grants
- Government accountability, transparency and fairness

Our Global Reach: Network of foreign representation

Focus on emerging markets around the globe

FOREIGN REPS UNDER CONTRACT

Asia China, India

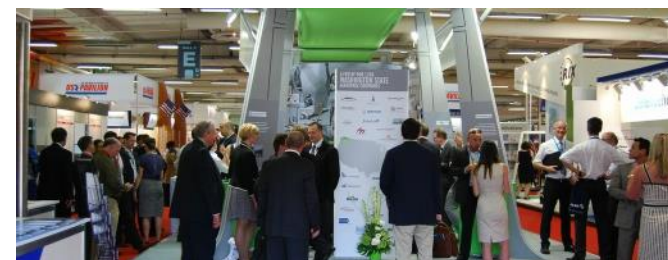
Europe United Kingdom, France, Germany

FOREIGN REPS NOW ON STAND BY BASIS

Japan

Mexico

Taiwan





Key business sectors

- Aerospace
- Advanced manufacturing
- Information and communication technology
- Life sciences and global Health
- Clean technology
- Marine technology
- Professional Services and consumer products
- Education

Upcoming events

Governor Mission to Farnborough Air Show, July

Mobile Games Forum (UK organizer), Seattle, October

Medica, Hannover, November

Aeromart Toulouse, December

Mobile World Congress, Barcelona, February

JEC Composites Show, Paris, March

Hannover Messe, April

Aerospace and Defense Supplier Summit, April 2016
Seattle





Paris Air Show 2013

- Over 50 in the Washington delegation including: aerospace-related companies, industry and educational organizations, counties and ADOs
- 2,215 exhibitors at the show
- 82 countries represented
- 151,000 show attendees over 4 days

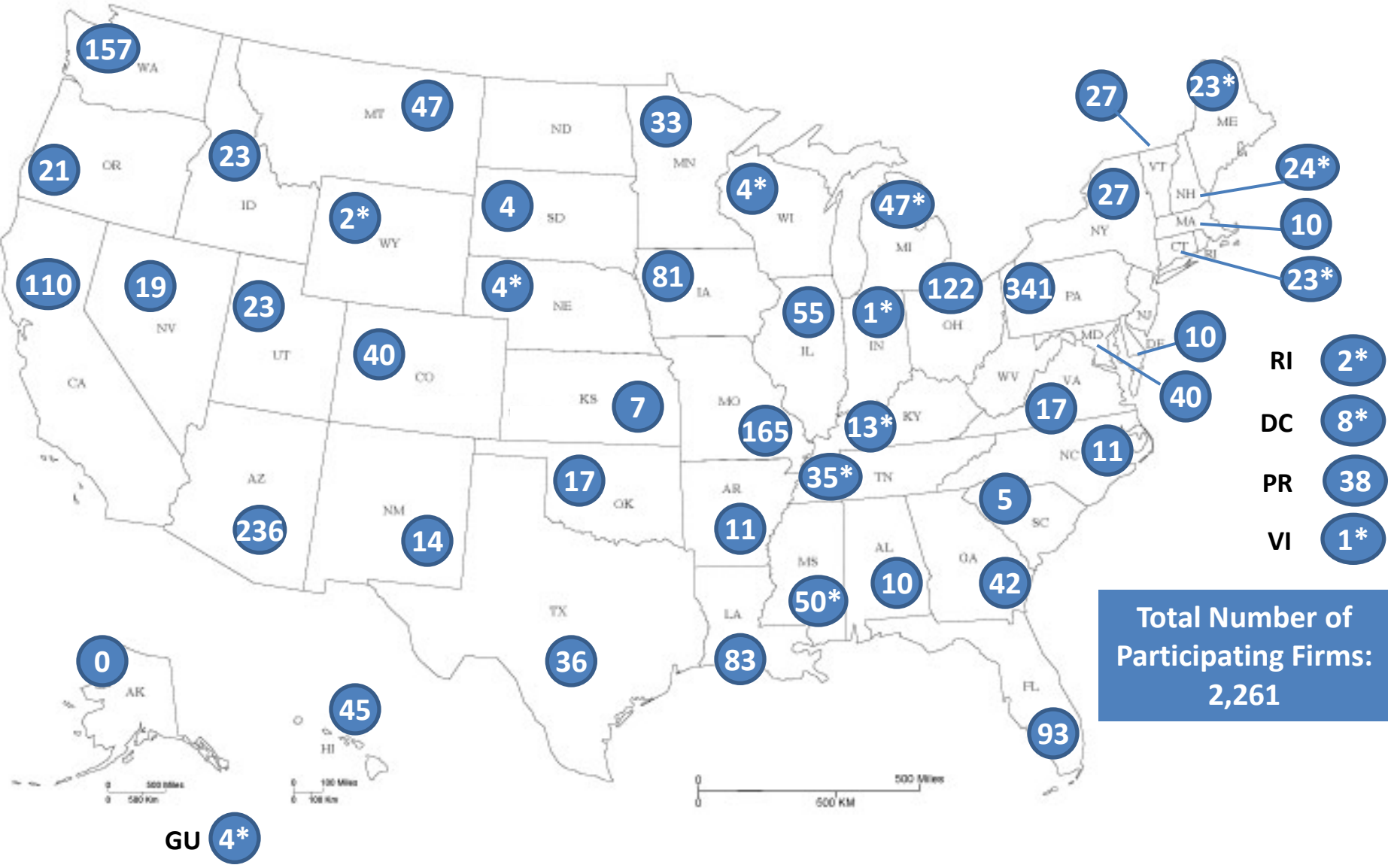
RESULTS

- \$35 million in new export sales and forecast another \$60 million
- 5 new investment projects



STEP Grant Program Y1

Number of Participating Firms – WA 3rd Highest



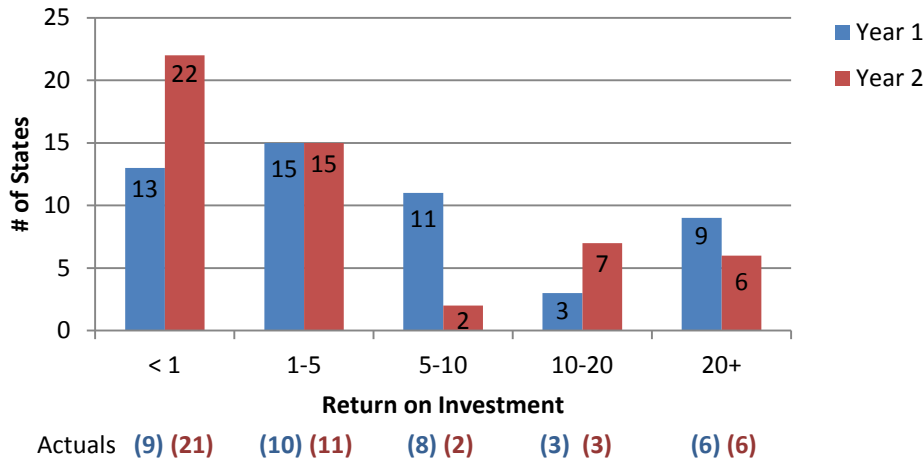
Total Number of Participating Firms: 2,261

ND, NJ and WV did not participate in the STEP Grant Program in Y1
 * states with projected export sales figures

STEP Program Performance

Washington Top 5 for ROI and Highest Total Export \$

STEP Return on Investment*



Top 10 STEP ROI States¹

| Rank | Y1 | | Y2 | |
|------|-------|-------|-------|-------|
| | State | ROI | State | ROI |
| 1 | MT | 47.69 | AL | 92.39 |
| 2 | MD | 44.79 | OK | 83.10 |
| 3 | AZ | 41.51 | WA | 58.53 |
| 4 | MO | 39.39 | FL | 37.53 |
| 5 | WA | 22.77 | CO | 26.77 |
| 6 | PR | 22.64 | MO | 24.24 |
| 7 | PA | 17.16 | ND | 17.95 |
| 8 | FL | 12.85 | ID | 14.58 |
| 9 | TX | 12.37 | NE | 12.14 |
| 10 | OR | 9.07 | IL | 7.40 |

State STEP Year 1 and Census Export Sales¹

| State | STEP Rank | STEP Export \$ millions Y1 | Census Rank | Census Export \$ millions as of 09/2013 |
|-------|-----------|----------------------------|-------------|---|
| MO | 1 | \$38.51 | 29 | \$9,741.90 |
| WA | 2 | \$36.24 | 4 | \$59,389.70 |
| PA | 3 | \$29.37 | 10 | \$31,127.40 |
| AZ | 4 | \$27.23 | 22 | \$14,385.70 |
| MD | 5 | \$26.20 | 31 | \$8,952.60 |
| MT | 6 | \$14.68 | 50 | \$1,146.50 |
| FL | 7 | \$10.03 | 6 | \$45,537.90 |
| OH | 8 | \$7.74 | 9 | \$37,762.40 |
| CA | 9 | \$6.71 | 2 | \$122,957.10 |
| PR | 10 | \$5.45 | 20 | \$15,632.90 |

State STEP Year 2 and Census Export Sales¹

| State | STEP Rank | STEP Export \$ millions Y2 | Census Rank | Census Export \$ millions as of 09/2013 |
|-------|-----------|----------------------------|-------------|---|
| WA | 1 | \$82.24 | 4 | \$59,389.70 |
| FL | 2 | \$41.26 | 6 | \$45,537.90 |
| AL | 3 | \$34.04 | 23 | \$14,383.00 |
| OK | 4 | \$31.83 | 38 | \$5,228.90 |
| MO | 5 | \$24.66 | 29 | \$9,741.90 |
| ND | 6 | \$12.05 | 44 | \$2,755.10 |
| CO | 7 | \$8.82 | 35 | \$6,491.70 |
| IL | 8 | \$7.92 | 5 | \$47,776.80 |
| NE | 9 | \$6.90 | 36 | \$5,484.20 |
| ID | 10 | \$5.92 | 39 | \$4,279.50 |

*Return on investment bar graph reflects both actual and projected export sales.

1) For these tables, only states reporting actual sales are considered, not states reporting projected sales. Year 1 comprises the time period of October 2011–September 2013. Year 2 reflects results from October 2012–September 2013.

New To Export Success Story – Has Offers



- Developed software to track effectiveness of e-advertising campaigns for companies
 - Founded in 2009
 - Currently – 50 employees
 - 10,000 customers, tracking \$350m in advertising
- In 2011, Has Offers was not exporting, but saw opportunities in the mobile advertising market in Europe
- Has Offers joined the WA delegation that went to Mobile World Congress, Barcelona in Feb 2012
 - Commerce provided support with an Export Voucher and organized B2B meetings
 - Showcased company's latest product to some of world's best known mobile ad networks
 - Found new emerging technology partners

Supply Chain Success Story – MetalTech



- MetalTech is a contract manufacturer located in Sumner
 - Turnkey manufacturing, fabrication and assembly products and services
 - Worked with customers in the automotive, commercial and medical industries
- To grow company, MetalTech wanted to start doing work for the aerospace industry
- Commerce recruited MetalTech to join the WA delegation that went with Governor Gregoire to the 2012 Farnborough Air Show
- Participated in B2B meetings set up by Commerce for sales and market intelligence purposes
- Landed high-ticket orders for aerospace – first ever exports for the company
- MetalTech has continued to grow its exports and business with the aerospace industry and attended the 2013 Paris Air Show with the WA delegation recruited by Commerce



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QUESTIONS?



APPENDIX: STEP Voucher program

| | 2012 | 2013 | 2 year TOTAL |
|--------------------------------|------------------------|------------------------|------------------------|
| Actual Sales | \$13,010,481.00 | \$25,787,016.00 | \$38,797,497.00 |
| Forecast Sales | \$95,450,000.00 | \$118,163,200.00 | \$213,613,200.00 |
| # Companies Assisted | 108 | 112 | 178* |
| # Applications Received | 185 | 153 | 338 |
| # Awards | 111 | 113 | 224 |
| Total \$ allocated to Vouchers | \$353,506 | 460,638 | \$814,144 |
| Average voucher amount | \$3,184.75 | \$3,427.75 | \$3,300.19 |

As of now, \$74,902 of the \$460,638 available is still unallocated and will still be used for 2013 activity.

* Some companies were assisted in both years but counted once in total. As sales reporting continues this total will likely increase.

Every \$1 received in STEP funding = return of \$25 in export sales.

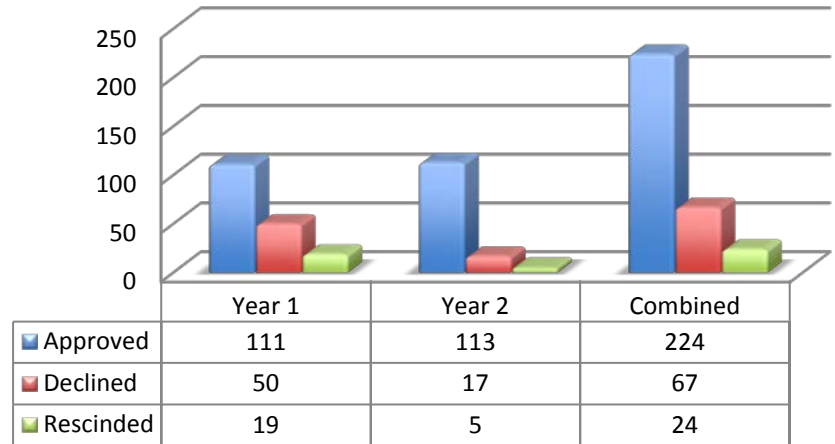
APPENDIX: STEP Voucher Program

Voucher Applications Year 1 & Year 2

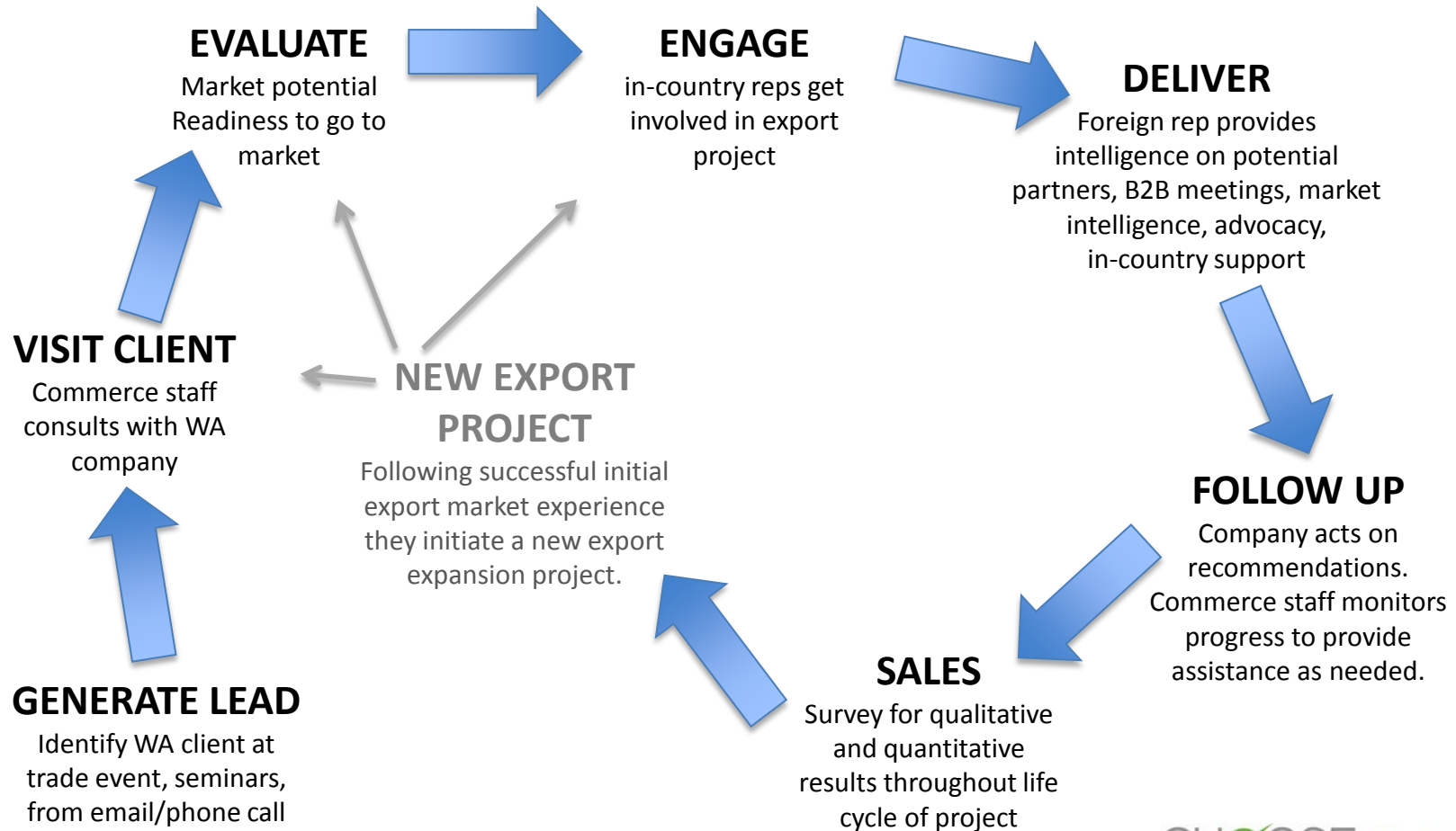


| Y 1 & Y 2 | |
|----------------|------------|
| Applied | 315 |
| Approved | 224 |
| Declined | 67 |
| Rescinded | 24 |

Voucher Applications by Year



APPENDIX: Trade Business Development Life Cycle



APPENDIX: Recent target sector missions



Advanced materials and manufacturing

JEC composites trade show in Paris - March 2014

- 5 companies participated – aerospace, marine, automotive, sports and leisure, education
- 33,000 exhibitors

Clean tech

Hannover Messe in Germany - April 2014

- 6 Washington companies represented
- 6,500 exhibitors from 62 countries
- 250,000 attendees

Information and communications technology

Mobile World Congress in Barcelona – February 2014

- 15 mobile technology companies from Washington
- 65,000 industry leaders from 200 countries

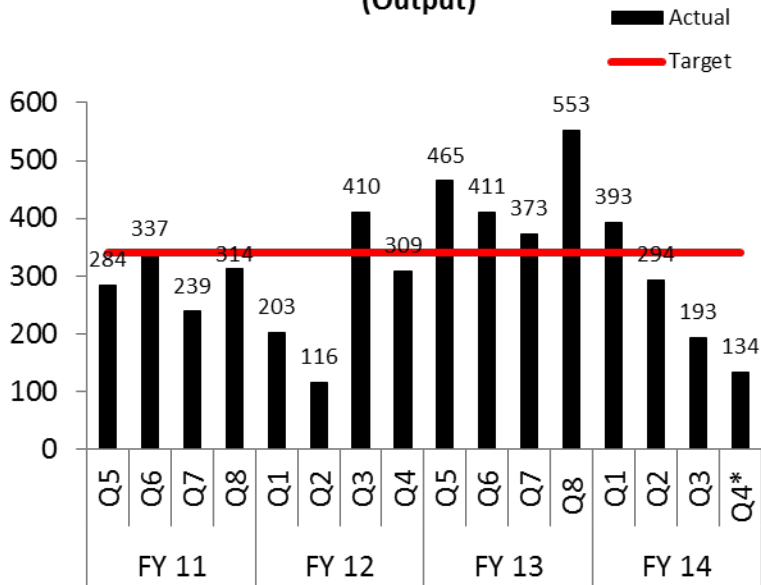
APPENDIX: Partnering increases the impact

Associate Development Organizations (ADO)
African Chamber of Commerce
British American Business Council
Center for Advanced Manufacturing Puget Sound (CAMPS)
Center for International Trade in Forest Products (CINTRAFOR)
Center of Excellence for Global Trade & Supply Chain Management
China Relations Council
Evergreen Building Products Association
Export Finance Assistance Center of Washington
Export-Import Bank
French American Chamber of Commerce
Greater Spokane Inc.
Japan America Society
Japan External Trade Organization
Pacific Northwest Aerospace Alliance
Pacific Northwest Trade Adjustment Assistance Center
Port of Seattle
Port of Tacoma
Softwood Export Council
State Board of Community and Technical Colleges
State International Development Organizations

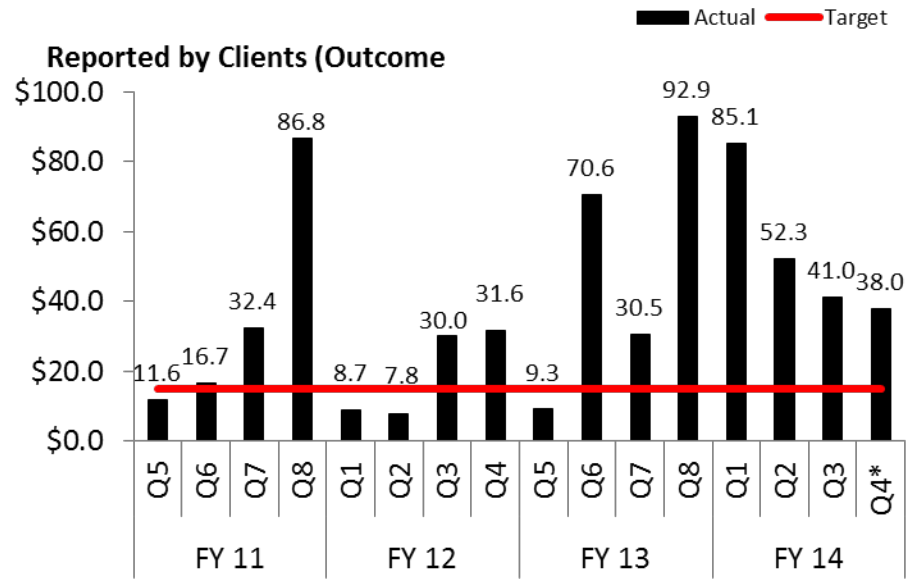
The Indus Entrepreneurs (TiE Seattle)
Trade Development Alliance of Greater Seattle
U.S. Export Assistance Ctr of U.S. Dept of Commerce, Seattle (USEAC)
University of Washington
U.S.-Saudi Arabia Business Council
Washington Biotechnology & Biomedical Association (WBBA)
Washington Clean Tech Alliance (WCTA)
Washington Council on International Trade (WCIT)
Washington Public Ports Association
Washington State China Relations Council (WSCRC)
Washington State Department of Agriculture (WSDA)
Washington State District Export Council (DEC)
Washington State Office of Minority and Women Owned Enterprises
Washington State Small Business Development Centers (SBDC)
Washington State University
Washington Technology Industry Association (WTIA)
World Trade Center Tacoma
World Trade Club, Seattle

APPENDIX: Quarterly data for Export Assisted Cases and Sales

1140 – New Export Assistance Cases Managed (Output)



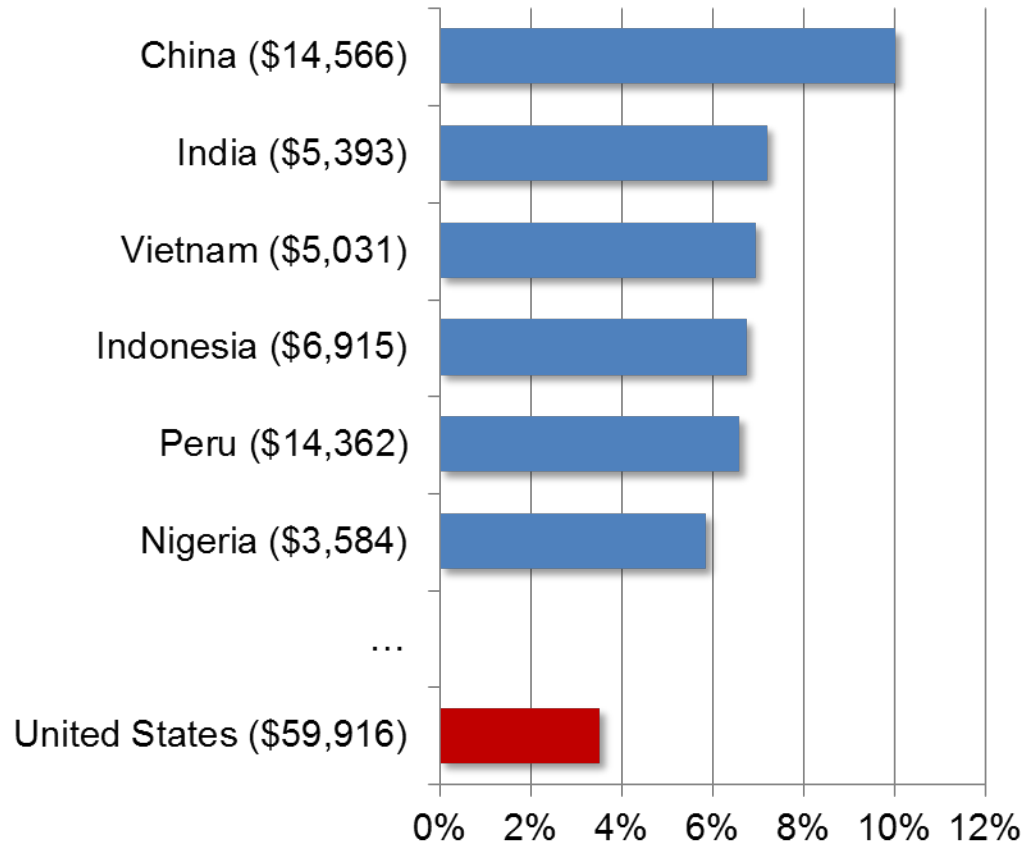
1500 – Export Assisted Sales Value



* Fiscal Year 2014 to date.
Data from Results Washington.

Average Annual Growth in Per capita GDP

Based on purchasing power parity (PPP) in USD, 2010-2017



Developing economies will outpace the U.S. as a source of new demand.

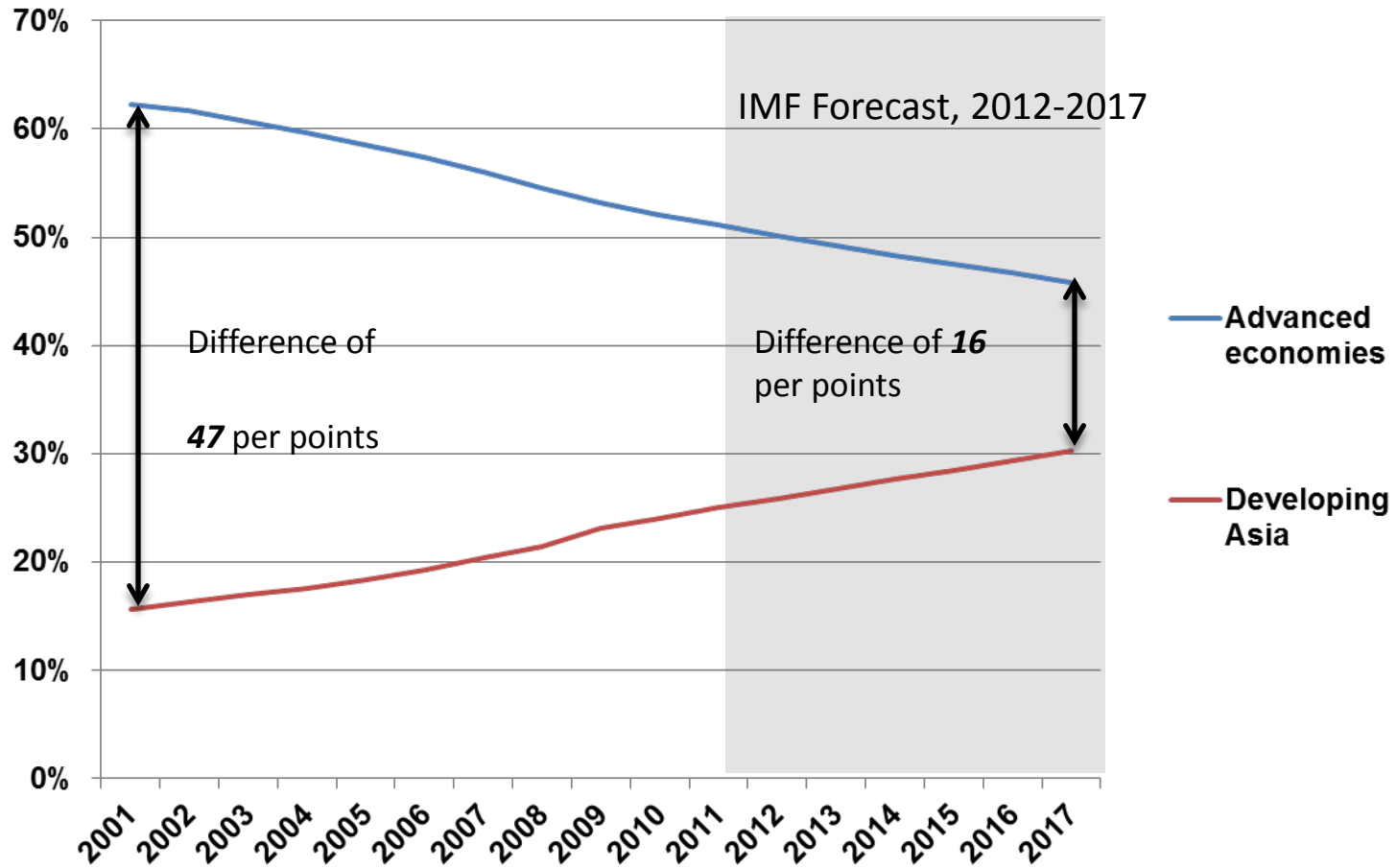
**Values next to countries are projected per capita based PPP for 2017*

Data source: International Monetary Fund (IMF), World Economic Outlook database.



Rise of Asia

Share of global GDP, current international dollar



Data source: International Monetary Fund (IMF), World Economic Outlook database, October 2012.



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