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THE NASDA/AID BUSINESS DEVELOPMENT SEED FUND (Formerly the Trade, Technology Transfer and Investment Fund)

FUNDED PROJECTS

■ **U.S.-Thai Business Linkage and Trade Development Project**

The Seed Fund funded the International Business Development Program at Northwestern University in Chicago to undertake a program focused on the establishment of U.S.-Thai business linkages and the development of a new business incubator system, supported by product commercialization centers, action-oriented training seminars, venture capital fund development and the provision to Thai firms of technology sourcing and intelligence and market support services. This six-month project was the first phase of a 5-year project. This first phase involved an intensive feasibility study and start-up, including: (1) the creation of business opportunities between U.S. and Thai businesses and the expansion of trade relations between the two countries; (2) the active participation of selected state economic development agencies in identifying and involving facilities and companies with products and capabilities needed in Thailand; (3) the establishment of mechanisms for the commercialization and development of new products and services in Thailand in the international marketplace; and (4) the development of the skills, resource base and infrastructure in Thailand needed to support long-term business development and innovation.

■ **Delaware-Costa Rica-Honduras Trade Expansion Program**

The purpose of the grant to the Delaware Development Office was to develop bilateral trade and investment opportunities between Costa Rica, Honduras and the Delaware Valley Region through a trade mission to capitalize on the relationship between the Port of Wilmington and Costa Rica and Honduras. The project focused on three key tasks: (1) conduct primary market research to identify potential markets and products in Costa Rica and Honduras; (2) recruit buyers and sellers in the Delaware region to participate in a trade mission to both countries; and (3) provide sustained and systematic follow-up to the trade mission. The Delaware Development Office, in consultation with the Port of Wilmington, the Standard Fruit and Steamship Company (Dole), United Fruit Brands (Chiquita), the Costa Rican Coalition of Development Initiatives (CINDE), the Foundation for Investment and Development of Exports (FIDE) in Honduras, and Ballagh & Thrall, Inc. (B&T), Delaware's State-Sponsored Export Trading Company, developed a central strategy to take advantage of the competitive cargo rates on Dole and Chiquita containers returning from the Port of Wilmington to Central America. The Port of Delaware would secure its relationships with the steamships, allowing Delaware regional exporters access to the containers at advantageous rates, thereby acting as a catalyst to increase exports. Costa Rica and Honduras would benefit by the improved infrastructure, distribution channels and cheaper imports which would make the area more attractive to foreign investors. The market research supported the trade mission, a combination of private Delaware businesses and exporters represented by B&T and the Delaware Development Office, to develop contacts.

- **U.S.-ASEAN Governor/Ambassador Business Development Initiative**

The mission of the Governor/Ambassador Business Development Initiative (GABDI) is to increase U.S.-ASEAN (Association of South East Asian Nations) business relationships and transactions by mobilizing U.S. Ambassadors, federal agencies and private sector organizations to enlist and assist governors and state economic development agencies to engage their private sector constituencies in exploring new business opportunities in the ASEAN region. GABDI objectives include to: (1) encourage, support and determine the effectiveness of governor-led, Ambassador-hosted state trade and investment missions to the ASEAN region; (2) introduce and assist companies from participating states to explore new business development opportunities in the ASEAN region; (3) increase ASEAN understanding of the states' role as intermediaries for trade and investment promotion; (4) strengthen U.S.-ASEAN business support networks; and (5) test and develop mechanisms for involving states in trade and investment promotion in emerging markets on behalf of their private sector constituencies. Lessons learned in projects funded to date include: (1) the need for intensive technical assistance in the planning stages of trade initiatives; (2) the benefits to states of a central clearinghouse for market information and data; (3) the economies of scale offered by joint activities, particularly in marginal markets; (4) the importance of a strong promotional strategy that involves high level political officials from both the state and federal level; (5) the need for a mechanism to provide follow-up technical assistance to firms, especially when their market strategies will require consideration of some sort of coventure activity; and (6) the benefit of having a coordinating organization that is well positioned to leverage the resources of numerous federal, multilateral and regional trade service entities, and effectively bring them to bear on specific trade initiatives. Mississippi and Iowa have already participated in this two-year project, and two-to-four more states are scheduled to participate in GABDI over the next year.

- **Iowa-Hungary-Czechoslovakia Swine Technology Conference**

This grant to the Iowa Department of Economic Development covers an educational Swine Technology Conference in Budapest and Prague to focus on swine technology, equipment and food processing industries available in Iowa. The conference is a joint venture between the private sector (International Network of Trade), public agencies (the Iowa Department of Economic Development) and Iowa State University. The conference's primary purpose is to expose Hungary and the CSFR to the products, services and technology available in the United States, and Iowa in particular. Measurable outcomes anticipated include: (1) the initiation of new networks between decision-makers in Iowa, Hungary and the CSFR to focus upon sales leads, joint ventures, distributorships and licensing agreements; (2) universities and ministries will discuss farmer-to-farmer exchanges, university exchanges and technology transfer; (3) provision of extensive business contact lists to continue the promotion of Iowa products and services in Hungary and the CSFR; (4) identification of Hungarian and CSFR decision-makers in business and government, the specific business opportunities identified during the conference, any transactions that actually occur and expected future business; and (5) identification of the key constraints to transacting business encountered during the conference and recommendations for their remediation. The Swine Technology Conference is currently scheduled for June 1991.

- **Minnesota-Costa Rica Market Development and Export Training Project**

The focus of this grant to the Minnesota Trade Office (MTO) is two-fold: Primary Market Research in Processed Foods and the Minnesota-Costa Rica Table of Taste, both part of the Minnesota-Costa Rica Trade and Investment Initiative. The Primary Market Research will collect additional information about market opportunities for food products. The Table of Taste Project will promote and develop mutually beneficial trade channels and distributor/buyer relationships in processed foods and related areas. The project is a joint venture between the private sector and public agencies [the Minnesota Department of Trade and Economic Development, MTO, the Province of Manitoba, Canada, the U.S. Embassy in Costa Rica, the Costa Rica Chamber of Commerce, and Centro para la Promocion de las Exportaciones y de las Inversiones (CENPRO) in Costa Rica]. The project's primary purpose

is to build upon trade linkages developed to date and to follow up on specific opportunities that have been identified and prioritized by private and public sector officials in both Minnesota and Costa Rica. Measurable outcomes anticipated include: (1) the completion of market surveys to identify new distribution channels and joint venture partnerships; (2) initiation of new networks between decision-makers in Minnesota and Costa Rica to focus upon sales leads, joint ventures, distributorships and licensing agreements; (3) sharing of marketing techniques between trading partners; (4) development of a marketing model for use in future new market development; (5) identification of Costa-Rican decision-makers in business and government, the specific business opportunities identified during the conference, any transactions that actually occur and expected future business; and (6) identification of the key constraints to transacting business encountered during the project and recommendations for their remediation. The Table of Taste is a mini-matchmaker event where wholesalers, buyers, restaurateurs and others gather to sample various food products from Costa Rica and Minnesota. Individual meetings will be scheduled between Costa Rican and North American businesses. MTO uses The Table of Taste as an effective and low-cost marketing technique that identifies markets and distribution channels, and brings together buyers and sellers from throughout the food handling and distribution chain. Market research will be conducted to identify complementary processed foods and related products in the Costa Rican and North Central U.S./South Central Canadian markets. Specific recipes will be created that incorporate these identified food products. MTO will identify and develop appropriate distribution channels for moving processed food and related products up from Costa Rica into the North Central U.S./South Central Canadian markets. Benefits to Costa Rica include: (1) exposure to new markets and new channels of distribution; (2) creation of new products and markets by way of new recipes specifically designed to incorporate Costa Rican processed food products into dishes that satisfy local tastes, customs and preferences; and (3) transfer of marketing and management techniques from MTO to CENPRO. The Table of Taste is scheduled to be held in Fall 1991.

■ **Washington-Indonesia Agribusiness Project**

Under this grant, the Washington State Department of Agriculture (WSDA) will recruit and lead a business development mission to Indonesia, targeting the agribusiness sector. The goal of this project is the creation of profitable firm-to-firm relationships between agribusiness companies in Washington State and Indonesia. The principal tasks of the project are to: recruit and lead a public/private business development team on a mission to Indonesia; identify discrete business opportunities in the Indonesian agribusiness sector, with an emphasis on co-venture opportunities; develop institutional linkages between state, federal and Indonesian agricultural organizations; prepare and implement a post-mission workplan; and prepare a final report to include anticipated developmental outcomes.

■ **Maryland-Poland Environmental Training and Technical Assistance Project**

With this grant, the Maryland/Eastern European People's Program (MEEPP) proposes to help institutionalize environmentally sound programs, policies and practices in two of Poland's critical provinces, and introduce Maryland-based environmental companies to key decision makers within the provincial governments who will be implementing the new standards and environmental clean-up efforts. A team of representatives from the private sector, Johns Hopkins University and the Maryland State Department of the Environment will consult with Polish local and regional government officials and individual facility managers in the areas of air and water quality, and solid waste and wastewater treatment. University faculty will also present lectures on the above topics. This project is seen to be the first step in the establishment of long-term working relationships with Polish officials. The effort anticipates that future involvement between Poznan and Lodz Provinces and the State of Maryland will include implementation of regulatory recommendations, aggressive steps to clean up existing environmental problem areas, development of plans for modernizations of existing environmental technology, introduction of new technologies, and longer-term establishment of university relationships. This project will begin September 1991.

- **Illinois-Hungary Model Production Farm and Agricultural Cooperation Agreement**

The Illinois Department of Agriculture is involving state universities and private agribusinesses in the development of a model production facility for pork and poultry in Hungary. Goals include: the development of Hungarian swine and poultry production; an increase in the export of processed and semi-processed poultry and pork products; the introduction of proven management techniques; the improvement in the efficiency of swine and poultry production; and the increase of Illinois agribusiness exports to the Hungarian market. These goals will be sought through the establishment of a 150 hectare hog production farm, training on Illinois agricultural technology, the introduction of Western management and marketing techniques, the generation of hard currency for the Hungarians, and introduction of hybrids for increased yields and increased access to Western European processed food markets.

- **Iowa-Hungary-Czechoslovakia Needs Assessment Initiative**

Funding has been approved for the International Division of the Iowa Department of Economic Development for a needs assessment by state and private industry of the Hungarian and Czechoslovakian grain markets, involving participants from the private sector, public sector and universities. The assessment will provide guidance for program development for further phases of the Central European Initiative, as well as the expansion of the local involvement of the private sector. The state's Central European Initiative is part of a larger state-wide Eastern European focus, whose primary purpose is to expose Hungary and the CSFR to the products, services and technology available in the U.S. and Iowa.

- **Southern Technology Council-Eastern Europe Network Manufacturing Exporting Initiative**

Funding has been approved for the Southern Technology Council for a proposal to promote apparel exports to Eastern Europe through network manufacturing. Working with a consortium of small and medium-sized apparel manufacturers based in North Carolina, the Southern Technology Council proposes to use network manufacturing to help provide apparel-related companies in Hungary, Poland and Czechoslovakia access to U.S. markets while targeting the Eastern European market for U.S. apparel exports. The project will include researching the apparel market in the three Eastern European countries, developing overseas sales contacts and identifying North Carolina companies for both direct sales and joint venture opportunities. The market research and sales contacts may lead to the introduction of appropriate Eastern European technologies and products into the U.S. market by partnering with U.S. companies as well.

- **The Mid-America World Trade Center-Egypt Wheat Milling Project**

Funding has been approved for the Mid-America World Trade Center for a wheat milling technology transfer and development project in Egypt. The project will be a joint venture between private sector and public agencies, the project's purpose is to build upon trade linkages that have been developed to date between Kansas and Egypt and to follow up on specific opportunities that have been identified and prioritized by both sides. This proposal outlines the need and potential use of short flow milling application and techniques in Egypt and the necessary technology transfer and training of milling personnel. The project consists of two parts: (1) an initial survey mission designed to determine the application of short flow milling technology to the Egyptian infrastructure; and (2) Egyptian wheat milling technicians will be selected to attend a wheat milling short course conducted at Kansas State University.

■ **Massachusetts-Poland Environmental Audit Training Project**

Funding has been approved for the Massachusetts Office of International Trade for a training and technical assistance program for three provinces in Poland involving environmental audit training. This is a proposal to provide training to provincial environmental regulatory authorities in the process and procedures of performing environmental audits and to conduct actual audits of three selected sites in Poland. The project will also provide Massachusetts' environmental firms with knowledge of the Polish market for their products and services and contacts and leads for future business relationships. The Massachusetts Office of International Trade will be working on this project with the Environmental Business Council, the Region I Environmental Protection Agency and selected Massachusetts based environmental firms to establish twinning relationships with three Polish provinces that are not currently receiving environmental technical assistance or training. The first phase of the project will provide an overview of U.S. environmental protection regulations and training in the process and procedures of performing audits. The second phase will be the supervision of actual audits conducted on three Polish industrial sites by the participants.