

THE NASDA/AID BUSINESS DEVELOPMENT SEED FUND STATUS OF APPROVED PROJECTS AS OF MARCH 31, 1992

U.S.-Thai Business Cooperation (Northwestern University)

Purpose: The International Business Development Program (IBD) at Northwestern University in Chicago undertook a project aimed at expanding U.S.-Thai business relationships by matching Thai needs with US sources and encouraging state international trade agencies to explore the Thai market. The proposal was for a five year program which would include the development of a new business incubator system, product commercialization centers, training, venture capital fund development and the transferring of technology to Thai firms. The first phase, for which financing was sought from the Seed Fund, included feasibility studies, work with three states, identification of business opportunities in Thailand, and the establishment of mechanisms to strengthen the export and innovation capability of Thai firms.

Cost and timeframe: First year (11/88 - 11/89) costs were \$108,000., of which the Seed Fund provided \$75,000. USAID Thailand contributed \$65,000 to the Fund for the project.

Results: In its first year, the project developed a target pool of over 300 US and Thai companies for matching, established a joint venture with SEAMICO under a program with the Thai Board of Investment to attract US firms, provided concrete business leads. During the subsequent two years the IBD at Northwestern has continued to build on the networks in order to promote US - Thai business transactions.

Delaware Trade Expansion with Costa Rica and Honduras

Purpose: The state of Delaware Development Office proposed to expand business ties with Costa Rica and Honduras, capitalizing on the relationship of the Port of Wilmington with the two countries. The idea of the project was to take advantage of favorable shipping rates resulting from containers of major fruit companies returning empty to Central America. The project focused on three key tasks: (1) research to identify markets for US products in Costa Rica and Honduras; (2) recruitment of buyers and sellers in the Delaware region and (3) systematic follow-up. In addition to the DDO, port and fruit companies, other collaborators included a steamship line, the state sponsored export trading company and the public/private business development agencies of Costa Rica and Honduras (CINDE and FIDE). The two countries would benefit from improved infrastructure at the ports, better distribution channels and cheaper imports.

Cost and timeframe: The Seed Fund provided \$20,000 of the \$60,000 total expenses for this one year (1/90-1/91) project.

Results: As part of the research, over 300 companies were surveyed and specific export opportunities identified, in what was a new market for the state. Twenty companies were represented in a business visit to the countries for briefings and matchmaking. Following formal completion of the project, the state has organized regular return business visits to the two countries and invited companies from there to Delaware.

Iowa Swine Technology Conferences in Hungary and Czechoslovakia

Purpose: The Iowa Department of Economic Development developed a multi-stage program aimed at introducing central European customers to the state's agricultural technologies and products. Together with a public/private trade promotion organization and Iowa State University, the DED planned an educational conference in Budapest and Prague to focus on swine technology, equipment and food processing industries available in Iowa. The conference played a key role in the launching of the state's long term strategy designed to capture new markets for Iowa firms while also assisting the modernization of agriculture in Central Europe. Expected results include: new relationships that will lead to sales, joint ventures, distributorships and licensing agreements; farmer-to-farmer exchanges, university exchanges; specific business opportunities identified during the conference; and recommendations for overcoming key constraints to business.

Cost and timeframe: The Seed Fund provided \$10,000 of the \$55,000 project cost. The conferences were held in May, 1991.

Results: Over 170 key agricultural decision-makers in Hungary and Czechoslovakia participated in the conferences. Impressed by the value of the knowledge transferred, the two countries requested similar conferences on grain technology. Iowa agreed to organize them as part of the broad strategy. Specific opportunities for co-ventures emerged during the conferences. The state continues to implement its program, which will culminate in an agribusiness trade mission to the two countries in the fall of 1992.

Minnesota Market Development and Export Training in Costa Rica

Purpose: The Minnesota Trade Office (MTO) designed a multi-phase program aimed at promoting long-term agribusiness ties with Costa Rica. In the initial phase, the state proposed to undertake research on the market for processed foods and to organize a "Table of Taste" demonstration of Minnesota products. Working closely with Costa Rica's trade and investment agency, CINDE, the state plans to help producers of processed foods and associated equipment enter the Central American market and promote long-term business relationships with Costa Rican companies. The Table of Taste is a matchmaker event where wholesalers, buyers, restaurateurs and others gather to sample various food products from Costa Rica and Minnesota. Market research will identify complementary processed foods. Benefits to Costa Rica include: exposure to new markets and new channels of distribution; creation of new food products; and access to sophisticated marketing and management techniques.

Cost and timeframe: The project is expected to cost \$80,000. The Seed Fund is providing \$13,000. The first phases will take place in the fall of 1991 through summer of 1992.

Results: Research is underway. The Table of Taste is scheduled for April, with a follow-up trade mission in June, 1992.

Washington Agribusiness Cooperation With Indonesia

Purpose: Based on its exploratory market research in Indonesia, the Washington State Department of Agriculture (WSDA) proposed to lead a business development team there to pursue opportunities in the agribusiness sector, particularly food processing. The goal is the creation of profitable firm-to-firm

relationships. A team of trade association and company executives would identify discrete business opportunities in the Indonesian agribusiness sector, with an emphasis on co-ventures; develop institutional linkages; and prepare an action plan aimed at helping Washington companies get established in Indonesia.

Cost and timeframe: The total cost was \$91,500., of which \$20,000 would be from the Seed Fund.

Results: A nine person team led by the state's Director of Agriculture visited Indonesia January 24 - February 7, 1992. Working closely with the US Agricultural Attache and the USAID Mission the group met extensively with the Indonesian private sector specializing in the food processing industry. Six trade and investment deals are already being discussed and the state is organizing a special promotion of food products. In addition to building on the initial relationships, the project is expected to deliver significant concrete business within six months.

Maryland Environmental Training and Marketing in Poland

Purpose: The state of Maryland International Division through its Maryland/Eastern European People's Program proposed to help institutionalize environmentally sound programs, policies and practices in two of Poland's critical provinces, and introduce Maryland-based environmental companies to key government decision makers. A team of representatives from the private sector, Johns Hopkins University and the Maryland State Department of the Environment would work with Polish officials and facility managers in the areas of air and water quality, and solid waste and wastewater treatment. This project is seen to be the first step in the establishment of long-term business relationships with Polish officials that would include an action plan for cleaning up the environment and introducing new technologies.

Cost and timeframe: The Seed Fund agreed to provide \$13,600. of the total \$113,400. project cost. The implementation period for this initial phase is October 1991 to September 1992.

Results: An eight-person technical assistance team visited the two provinces in November and completed the introductory assessments, seminars, etc. Exchanges are ongoing. Maryland businesses have been briefed on opportunities there. The state is planning an environmental trade mission in the spring.

Illinois Meat Production Model in Hungary

Purpose: The Illinois Department of Agriculture, together with state universities and private agribusiness firms, proposed the establishment of a 150 hectare model farm and production facility for pork and poultry in Hungary. Goals include: the expansion of Hungarian swine and poultry production; an increase in the export of processed poultry and pork products; the introduction of proven management techniques; and the increase of Illinois agribusiness exports to the Hungarian market.

Cost and timeframe: The Seed Fund awarded \$20,000 for the project, expected to cost \$230,000. and take one year, ending December, 1992.

Results: Five Hungarian farmers were brought to Illinois in March for exposure to modern agribusiness and training for the model farm and meat processing facility. Plans for the rest of the project are underway.

Iowa Grain Industry Needs Assessment in Hungary and Czechoslovakia

Purpose: As part of its Central Europe initiative, the International Division of the Iowa Department of Economic Development proposed an assessment of the Hungarian and Czechoslovakian grain markets. A team from Iowa's private and public sectors and universities would work with their counterparts in the two

countries to study grain industry needs, organize a grain technology conference, and lay the groundwork for business partnerships. The state's strategy in Eastern Europe of educating and transferring technology is intended to expose the region to the products, services and technology available in the US, and Iowa in particular.

Cost and timeframe: In addition to helping on this particular activity, the Seed Fund grant of \$16,625 was awarded to encourage completion of the remaining phases of the Iowa strategy (which will cost \$160,000). The survey and conference preparation occurred during October 1991 through March 1992.

Results: The survey team visited Hungary and Czechoslovakia in December, 1991. They assessed the grain industry, planned a grain technology conference for spring, and identified business opportunities. Business exchanges are underway. An industry group from the two nations will visit Iowa in the spring and a business mission from Iowa will travel to Hungary and Czechoslovakia in the fall.

Southern Technology Council Apparel Exporting Initiative

Purpose: The Southern Technology Council proposed the promotion of apparel exports to developing countries through collaborative marketing of collective product lines. Working with a group of small and medium-sized apparel manufacturers based in North Carolina, the Council would form networks to devise effective ways to help these firms, which have never exported, enter selected markets in Eastern Europe, Latin America and the Middle East. Tactics include collaborative design of product lines, focus on two competitive lines, selection of knowledgeable export brokers, targeting adjacent developed and developing countries, and focussed market research. The project will transfer to counterpart apparel manufacturers in developing nations information on the organization and experience of collaborative exporting. The goal is to obtain one significant sale by the end of 1992 and have the participating companies well launched into exporting and co-ventures in developing nations within three years.

Cost and timeframe: The Seed Fund is providing half the \$40,000 cost of the initial phase of the project, which will run throughout 1992.

Results: The strategy has been refined, participating manufacturers organized, export markets and brokers identified, product niches chosen and an operational system put into place.

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

Purpose: The Mid-America World Trade Center, based in Kansas, proposed to transfer wheat milling technology while conducting market development in Egypt. A joint venture between private sector and public agencies, the project would build on trade linkages already developed between Kansas and Egypt and take advantage of a specific opportunity, viz. the potential for sales of grain milling equipment. In particular the project would determine the application of short flow milling technology to the Egyptian market and introduce Egyptian wheat milling technicians to the equipment.

Cost and timeframe: The project is estimated to cost \$67,000. The Seed Fund share is \$20,000. The timeframe is the year 1992.

Results: The initial survey team visited Egypt in early February and found that the new grain milling technology would be applicable to 40% of existing capacity. Egyptian candidates are being selected for a pilot training program on the US equipment. Potential for future sales is encouraging.

Massachusetts Environmental Audit in Poland

Purpose: The Massachusetts Office of International Trade proposed a program of training in environmental audit training and technical assistance for three provinces in Poland. In addition to conducting actual audits, the project will provide environmental firms in the state specific knowledge of the Polish market for environmental products and services. The goal is the development of future business relationships. The Environmental Business Council, the US Environmental Protection Agency and selected Massachusetts-based environmental firms are involved. The project will provide an overview of U.S. environmental protection regulations, training in conducting audits and the supervision of actual audits on three Polish industrial sites.

Cost and timeframe: The Seed Fund will provide \$20,000 of the anticipated total cost of \$95,428. The implementation period is March - October 1992.

Results: The Office of International Trade visited Poland in November to begin the process of selecting participants for the training. Timing of the training and audit program is being arranged.

Promotion of US Business Ties with Czechoslovakia (Central Europe Institute)

Purpose: The Central Europe Institute is working with the North Carolina Small Business Technology and Development Center and the Nebraska Business Development Center to assist their clients in developing trade and investment with counterparts in Czechoslovakia. The goal is to help both US and Czech companies overcome obstacles to bilateral trade by identifying specific business opportunities and helping match partners, particularly in the sectors of poultry production, grain storage facilities, veterinary supplies, and telecommunications. Using its staff and extensive network in Czechoslovakia, the Institute will compile a database for potential business matches, assist US companies in understanding regulatory, banking and other practices in Czechoslovakia, help assemble financing, provide advice for joint venturing, etc.

Cost and timeframe: Total project expenses are estimated at \$103,200., of which \$20,000 is the Seed Fund contribution. The project began in January and will continue throughout 1992.

Results: The program is now in place and ready to begin matching companies.

California Cooperation with Hungary on Wine Production

Purpose: The World Trade Center Association of Orange County (WTCA-OC) will lead a survey team of wine industry representatives to Hungary and organize a follow-up seminar in California for Hungarian wine makers. The goal is to promote partnerships, technology transfer, and sales of US wine-related equipment. The project will also provide support for a Hungarian wine association and develop marketing, sales and investment information for US firms. California State University/Fullerton, the World Trade Center of Budapest, the Hungarian Ministry of Economic Relations, as well as the US Embassy and AID office in Budapest, are among the other cooperating organizations.

Cost and timeframe: The project will cost \$74,000., of which \$19,700 will come from the Seed Fund. The project will take place during March - September, 1992.

Results: The Orange County study mission is expected to visit Hungary in April.