DECD

Maine Department of Economic and Community Development

2007 Highlights

Hodgdon Yachts
Windcrest

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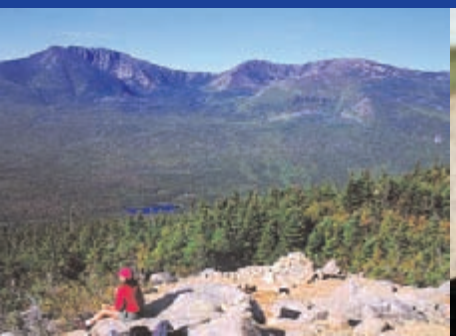


A Message from Governor Baldacci

I am pleased to present the 2007 Highlights Report for the Department of Economic and Community Development (DECD).

Maintaining the high quality of life for all Maine residents and expanding economic opportunities for the state are my top priorities. My administration is working closely with DECD Commissioner John Richardson to build a solid foundation for strong economic growth.

The Brookings Institution's report "Charting Maine's Future" contained many insightful recommendations on how to best move Maine forward. With the help of my administration, I will work to invest in protecting Maine's quality of life, help create better paying jobs and work to foster the development of business clusters within the state.

Our goal is to create a productive and competitive business environment and an attractive destination for tourists and businesses alike, recognizing local and regional differences while addressing the competitiveness issues that are of the most importance to our business community.

In order to draw more businesses to Maine and create quality jobs with competitive wages, Maine needs to invest more in research and development. By investing more heavily in innovation, we can generate better paying jobs and a more skilled work force.

We also need to promote a healthy climate for entrepreneurship and small business development as well as invest in efforts to attract businesses to relocate in the state. I am very pleased with the continued success of the Pine Tree Zone (PTZ) program, which has provided Maine with the competitive edge needed to draw many new or expanding businesses to the state. Launched in 2004, more than 130 companies have been PTZ certified, and it is estimated they will create more than 4,100 jobs.

In 2006 we also added the Military Redevelopment Zone in order to

increase and diversify economic opportunities in Midcoast Maine in preparation for the 2011 closure of the Brunswick Naval Air Station. This will have significant impact as we work to create more jobs in this region.

We have worked hard to make Maine attractive to new businesses, as well as a place people will want to live, and it is working. According to a report by the U.S. Census Bureau, Maine now gains more residents than it loses; which is more than any other state in New England. According to the Brookings Institution study, Maine experienced the fifth biggest jump of in-migration in the country.

DECD had many accomplishments in 2007 to help move Maine's economy forward, and we are looking forward to 2008. Our economic progress will help Maine prosper and maintain the quality of life we love and treasure here in Maine.

Best wishes,

Governor John E. Baldacci

A Message from the Commissioner

On behalf of everyone at the Department of Economic and Community Development (DECD), I am proud to share our 2007 accomplishments and to promote the services our department and its affiliates provide to the businesses, community organizations and residents of Maine.

Since being sworn in as commissioner in January 2007, I have witnessed many reasons to be optimistic about Maine's economic health. A 2006 USA Today analysis shows that Maine's long-term income growth over the last five years has exceeded the national average. According to the report, Maine's per capita income grew 6.1 percent from 2000 to 2005, compared to the national average of 2.2 percent. Maine's income growth ranked 17th overall, and was the third highest in New England.

Our efforts to encourage international trade exceeded our expectations. In 2006, Maine set a new state record of $2.63 billion in exports. This was due in large part to an increase in exports to Asia, including Japan, South Korea and China. To capitalize on this growth, DECD worked alongside the Maine International Trade Center to organize a fall trade mission to Japan and South Korea. DECD also sent delegates on a U.S. Department of Commerce-sponsored trade mission to China in the spring of 2007 to learn more about selling to China's growing population of wealthy consumers, specifically export opportunities for the state's boat building and marine composites industries. China is now Maine's third largest foreign market, receiving more than $150 million of Maine goods last year.

Maine's boat building industry is poised for significant growth according to a recent report by Planning Decisions, Inc. Currently, Maine's boat building industry generates $355 million in annual sales and a total payroll of $95 million. DECD, in collaboration with the North Star

Alliance Initiative, supports Maine's marine industries through workforce development, research & development (R&D) grants and brand marketing, all under the Workforce Innovation Regional Economic Development (WIRED) grant, awarded to Maine in February 2006. The $15 million federal WIRED grant is also designed to create jobs in particular to counteract the closure of the Brunswick Naval Air Station, strengthen the state's economy, and ensure Maine maintains its competitive edge in the boat building, composite and marine sectors.

Lowering costs for Maine businesses is also a priority. DECD helped phase out the business equipment tax which helps to strengthen our business environment. The Maine Economic Growth Council's Measures of Growth 2007 report shows the cost of doing business in Maine is going down. According to the Milken Institue the state now ranks 19th among the 50 states in terms of tax burden, down from 14th in 2002.

Tourism remains one of our strongest industries, with research showing that Maine's overnight marketable trips increased 12 percent compared to only a two percent increase nationally. DECD's Office of Tourism has done an excellent job of marketing the state and driving traffic to their Web site, and we expect to see visitor numbers continue to grow.

Members of our Maine Products Marketing Program (MPMP) have been receiving national accolades, including Brunswick's Simply Divine Brownies, which has been featured on The Today Show, Rachael Ray, and in gift bags at the Academy Awards. MPMP builds recognition for hundreds of Maine made products and the state's industries in general through free marketing support.

These are just a few of the highlights of what DECD has been working on to help Maine businesses grow and succeed. We look forward to partnering with more Maine companies in the coming year, as well as working with the Governor to implement an economic strategy that continues to move Maine's economy forward.

Sincerely,

John Richardson

Office of the Commissioner

The Office of the Commissioner has numerous functions and is responsible for the day-to-day operations of the entire department. The office coordinates the administration's economic development legislative activities, oversees the state's economic development strategy and develops policy in conjunction with the Governor's Office and the Maine Legislature. The office also represents the administration on various boards, commissions and task forces.

Major functions of the office's programs include the administration of the state's Tax Increment Financing (TIF) Program, Employment Tax Increment Financing (ETIF), Pine Tree Development Zone Program and other economic development programs. The office also plays a pivotal role in assisting a variety of industry groups.

Major Accomplishments

For Maine to be competitive, the state needs to strengthen its R&D sector to help existing businesses innovate and DECD shepherded support for the passing of the R&D bond in November 2007.

The bond, which will be administered by the Maine Technology Institute, provides $50 million competitively awarded research and development grants for targeted technology sectors. An additional $5 million will go to stimulating Maine's economy and to creating new jobs through the Finance Authority of Maine and the Maine Rural Development Authority.

DECD and its Office of Innovation are working to expand Maine's R&D sector to $1 billion per year by 2010. R&D supports more than 1,000 jobs in Maine, with more than 500 companies creating more than 600 jobs between 2003 and 2006.

Specifically, the results of money spent on R&D investment during the last fiscal year include:

- More than $3.1 million in new major research equipment.
- Maine received more than $74 million in new federal R&D awards.
- Four patents were awarded.
- Three new spin-off companies were founded.

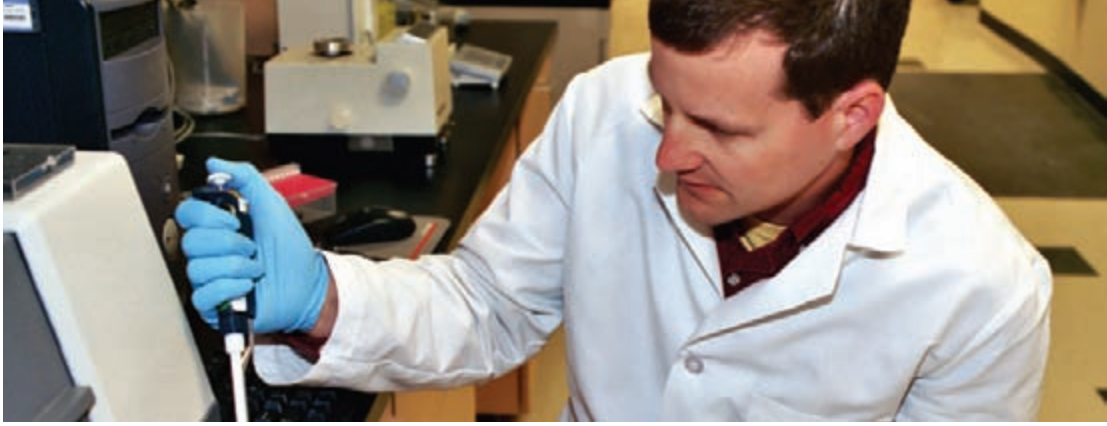
- Since the inception of the Governor's Pine Tree Development Zone Program in 2004, more than 130 companies have been certified to date. The companies project the creation of more than 4,100 jobs and plan to invest more than $429 million dollars. This year an additional 36 companies were certified, creating over 1,000 new planned jobs.

- In 2007, the Pine Tree Zone Development benefits were extended to help expanding manufacturing companies.

Commissioner Richardson presents the Kennebec Lumber Company with a Pine Tree Zone Certificate.

- The office approved 32 Municipal Tax Increment Financing (TIF) districts in 22 communities, with total planned investment exceeding $529 million.

- The Governor's Training Initiative (GTI) is a state-funded workforce development program jointly administered by the Maine Department of Labor (MDOL) and DECD. The Governor's Training Initiative program develops and coordinates training for firms intending to expand or locate in Maine, reorganize a workplace to remain competitive, or upgrade worker skills. Eligible businesses



may receive reimbursements for on-the-job training, competitive retooling, assessment, job-task analysis, workplace safety and literacy, specialized recruitment, high-performance skills, or customized technical training.

- The Office of the Commissioner promotes economic opportunities for the creative economy which include a diverse workforce comprised of artists, artisans, performers, architects, software engineers, entrepreneurs, researchers and financiers.

The creative economy also contributes significantly to our economy. Approximately 8.3 percent of Maine's workforce, or 67,446 people, are employed in the creative economy and earn an average of $48,557, is 33 percent higher than the state average of $32,661. In 2003, Maine's arts and cultural sectors generated $1.5 billion in sales. In 2000 to 2004, Maine's creative workforce added 5,474 jobs to the economy and grew by 9 percent, compared to the state's overall job growth rate of 7 percent.

- A video shot and produced by DECD during the trade mission to China for the purpose of communicating the experience to people back home won an award for best marketing practices from the North Eastern Economic Developers Associations (NEDA).
- Tourism, Maine's largest industry, has seen a return of approximately $8 in tax revenues for every dollar invested in the state.

Office of Tourism

The Office of Tourism (OOT) is responsible for implementing an overall marketing program domestically, in Canada and overseas for the State of Maine, which includes advertising, public relations, and research and analysis. There are three key objectives for the program:

- Make Maine one of the true "must-see" vacation travel destinations in North America.
- Bring the economic benefits of tourism to all regions of Maine, in all seasons of the year.
- Return at least two dollars in tax revenues for every dollar invested in tourism development by the Maine Office of Tourism.

Maine's latest research findings concluded Maine's overnight marketable trips increased 12 percent over the previous year, compared to a two percent increase nationally. Over the past few years, Maine has seen a return of approximately $8 in tax revenues for every dollar invested in tourism.

Major Accomplishments

Advertising

In 2006, OOT's advertising strategy was to spotlight Maine's recognizable icons while also highlighting the year-round experiences available to visitors. The objective was to increase market share through tactical ad placements in key markets, including New York, New Jersey, Pennsylvania and Boston. The advertising results summary found that Internet and phone inquiries in 2006 saw a 30 percent increase over 2005, with a double-digit increase in each of the four seasons, a new record for inquiries received. This amounted to approximately 400,000 more consumers interested in traveling to Maine in 2006 than in 2005.

Public Relations

Through the public relations program, OOT assisted with 76 U.S. and international media and travel trade familiarization tours.

The press coverage from these trips and other media assistance generated more than $16 million in advertising equivalency - what the state would have paid in advertising dollars for the same amount of space. Articles about Maine reached nearly 650,000 readers in the U.S. alone.

Regional Programs

$625,000 was distributed to the eight tourism regions for marketing and promotion through the Maine Tourism Marketing Partnership Program.

$97,500 was distributed to two special events promoting cross-regional visitation, Penobscot Narrows Bridgefest and the Maine International Film Festival.

Internet and Web Site Marketing

Frequent updates are made to www.visitmaine.com to provide fresh content, make the site more user-friendly and keep pace with new technology. The Maine Getaways section was added to the site to offer visitors access to special deals, offers and travel packages. There were 1.3 million unique visitors to the Web site in 2006, a 20 percent increase over 2005.

Additional Marketing Programs

OOT staff attended 11 trade and consumer travel shows for the U.S. and Canadian markets, with an estimated audience of 146,000 attendees.

An aggressive year-round, e-marketing campaign targeting tour operators and travel agents was launched in 2006.

International Marketing

The OOT represented Maine at four international trade and consumer travel shows in the U.S., UK, Ireland, and Canada with an estimated 105,000 attendees. Additionally, Maine was represented by in-country representatives at all other major UK, France and Germany travel shows.

The OOT participated in New England regional sales missions to the UK, Ireland, and France, conducting meetings with approximately 75 tour operators, 30 travel journalists, and familiarized 240 travel agency reservations staff with Maine as a travel product.

The OOT increased foreign language resources available on the Web site www.visitmaine.com. Content on the site is now available in English, French and German.

Maine Invites You
State of Maine Official Travel Planner

350,000 copies of Maine Invites You were distributed in 2007. The electronic version of Maine Invites You was downloaded 24,316 times.

(L-R) Lea Girardin, Emanuel Parisen and Joan Phillips Sandy, first director of The Maine International Film Festival, at the Empire Falls premiere in Maine.

Film Office

The Maine Film Office (MFO) is responsible for attracting and assisting film, television, video and other projects.

MFO responds to requests from producers for information on locations, film personnel, laws and regulations, and support services. MFO also publishes Internet and printed materials that market Maine as a film location, plans and creates advertising and public relations programs and provides resource information.

Major Accomplishments

Production

A commercial for Sylvania, an international lighting products company, was shot in the Bates Mill facility in Lewiston.

MFO worked with a New York-based commercial/documentary film company on a last-minute shoot in the Portland area in January 2007, assisting with locations, logistics and permits.

Producers of a Mercedes-Benz commercial chose to shoot in Maine after receiving permission to use a section of a closed Maine highway for their project. MFO, aided by the Maine Department of Transportation, managed to find a section of highway outside Bethel that was closed for the winter season and granted the producers access.

Producers of VH1's "Celebrity Paranormal Project" filmed two segments at an Orono industrial site.

Marketing/Public Relations

Governor John E. Baldacci signed the Maine Attraction Film Incentive Program into law in early 2006. The program uses tax-and-wage-based incentives to encourage media production in Maine, specifically by film, television, commercial and new-media companies. This has allowed the Film Office to better market the state as a film location and encourage local producers to hire more people and produce more work.

Governor Baldacci escorts actress Victoria Rowell to the advanced screening of the movie, Home of the Brave.

Governor Baldacci and Maine Film Office director Lea Girardin attended a national film industry summit in Washington, D.C. organized by the Motion Picture Association of America. Governor Baldacci and Girardin marketed Maine as a film location and worked with industry leaders and state and federal officials to encourage and expand media production in the United States.

MFO sent special mailings to selected studio executives in Los Angeles who had either met personally with MFO staff, or corresponded with them regarding the new Maine Attraction Film Incentive Program. The marketing packages included specific information on the incentives as well as photographs, books and other information about the state.

The Film Office launched their new Web site www.filminmaine.com. The Web site won the second place award for Best Web Site from the Association of Film Commissioners International.

Digital Resources

MFO currently has more than 6,000 digital photographs in its collection, which can be sent to producers and location scouts within minutes. MFO continues to receive thousands of monthly hits from production professionals.

Celebration of Maine Filmmakers' Program

The Celebration of Maine Filmmakers' Program has grown into a multi-event program including screenwriting competitions, competitions and screenings of short films and documentaries and panel discussions by filmmakers and screenwriters.

Correct Deck, a manufacturing company of sustainable composite materials.

Office of Business Development

The Office of Business Development's (OBD) mission is to foster business startup, growth, expansion and retention within Maine to increase quality employment opportunities for Maine citizens. OBD works in partnership with the business community and a system of regional and local development agencies to provide resources, technical assistance and financial tools necessary to attract and encourage new investment, as well as to create and retain quality jobs. The office also has eight business development specialists located around the state to support the business community.

Major Accomplishments

- In partnership with the State Department of Labor's Bureau of Employment Services, the office utilized the Governor's Training Initiative program to award more than $2 million in training funds to 40 Maine companies for 497 new hires and 3,516 incumbent workers in 2007.
- The Maine Products Marketing Program (MPMP) assisted with the New England Products Trade Show in Portland, in which more than 300 businesses exhibited their products to 2,000 wholesale buyers from around the country. This three-day wholesale giftware and specialty food trade show resulted in approximately $3.5 million in wholesale product sales.
- MPMP welcomed 103 new members to the program in 2007, bringing the total program membership to approximately 1,900. This popular marketing program continues to strive to build brand recognition for hundreds of exceptional Maine-made products, their producers and Maine industries in general.

Tom's of Maine technicians in the lab.

- OBD supported the boat building industry by helping to establish the Maine Built Boats (MBB) organization for the purpose of collectively marketing Maine-built boats to the world. In 2006/07, MBB attended international boat shows in Monaco, China and Fort Lauderdale, Florida.
- In addition, OBD helped the state win a $15 million federal grant to support Maine's boat building, composites and marine trades industries. Through this funding, the North Star Alliance Initiative (NSAI) was formed. This is an industry-focused economic development initiative that will encourage cluster development and create jobs in Maine.
- Business Answers, Maine's toll-free business information hotline (800.872.3838) and Web resource, www.Maine.gov/businessanswers which provides assistance in starting and operating businesses in Maine answered over 14,000 calls this year. In April, Governor Baldacci answered the 50,000th inquiry since 2003.
- With financial support and direction from OBD, the Maine Small Business Development Centers provided one-on-one counseling to 2,560 clients and conducted 160 training events for 2,851 entrepreneurs, and comprehensive business management assistance, training, resource and information services to new and existing small and micro businesses.
- Over the last two years, OBD has awarded Microenterprise Initiative (MMI) grants totaling $315,000 to four community-based organizations that serve microentrepreneurs across the state. MMI provides financial support to community-based organizations that deliver training and technical assistance to microenterprises.
- Since the program's inception in 2004, more than 130 companies have been Pine Tree Zone certified. As a result, these companies have collectively proposed to create 4,100 new jobs, and invest more than $429 million into the Maine economy. For 2007, the program's results include: 36 companies certified, 1,067 proposed new jobs, and more than $120 million proposed new investment.

Governor John Baldacci presents representatives from the town of Sanford with a Community Development Block Grant "check" during a Community Development Week event at the Statehouse.

Office of Community Development

The Office of Community Development (OCD) provides financial and technical assistance to Maine communities to enhance community development, planning and economic development activities. Typical activities include: funding and technical support to construct public facilities, public infrastructure, finance economic development initiatives and to improve substandard living conditions for low to moderate income residents. The Community Development Block Grant (CDBG) program, funded through the U.S. Department of Housing and Urban Development, allows communities to initiate projects that would not be feasible otherwise.

During 2007, 70 projects were awarded CDBG funding totaling more than $12 million. Monetary awards ranged from a $7,500 Community Planning Grant to a $500,000 Downtown Revitalization Grant, and spanned each of Maine's 16 counties. OCD anticipates awarding just over $13 million in CDBG funding in 2008.

In 2007, OCD was consistently (based on monthly status reports) within the top ten states in the nation in administering the CDBG program for the year, making it one of the most efficient programs in the country, according to the U.S. Department of Housing and Urban Development (HUD). HUD's rankings are based on the amount of CDBG program funds expended in relation to allocation, meaning that most of the money the program has given out has been put to use by the recipients, rather than waiting to be spent. In 2004, the Maine program was ranked 39th in the country in the same category.

Major Accomplishments

OCD renewed and strengthened its Home Repair Network (HRN) program partnership with the Maine State Housing Authority, the U.S. Department of Housing and Urban Development and the USDA Rural Development.

The OCD has also been involved in administering a grant award from the US Department of Labor in conjunction with the Maine MEP to train both new hires and incumbent workers in computer-controlled precision metal manufacturing, and in lean manufacturing practices in the New England states. The program goal was to provide training for 300 new hires and 750 existing workers which will be met or exceeded by the end of the contract period.

Development

The goal of HRN is to provide funding to participating community action agencies throughout the state that provide home repair and replacement opportunities to those in need.

The delivery of CDBG funds in Maine took a dramatic turn in 2007 when HUD designated a portion of the state as an Urban County which was the first one in the country in several years. Cumberland County is now designated by HUD as an "entitlement" and therefore receives funding directly each year. This means that all the communities in the county except Baldwin, Brunswick, Casco, Frye Island and Westbrook are not eligible to apply for funding through the state program. This also means that the state program allotment will decrease by about $1 million.

Customer Service

The reorganization of duties for the Development Program Managers has to this point and will continue to improve customer service through customized technical assistance, project development and program oversight to communities planning for and implementing CDBG projects. During 2007, OCD continued to improve on our electronic ability to better service the grantees request for payment and reporting requirements without the "mailing of paper." This had been a great step forward and we anticipate additional areas of expanding this opportunity. We are also in the early stages of upgrading our data management system for all our grant and loan programs which will allow us to better plan for future activities and manage current activities. This will also allow for expanded reports to provide accurate information of program accomplishments.

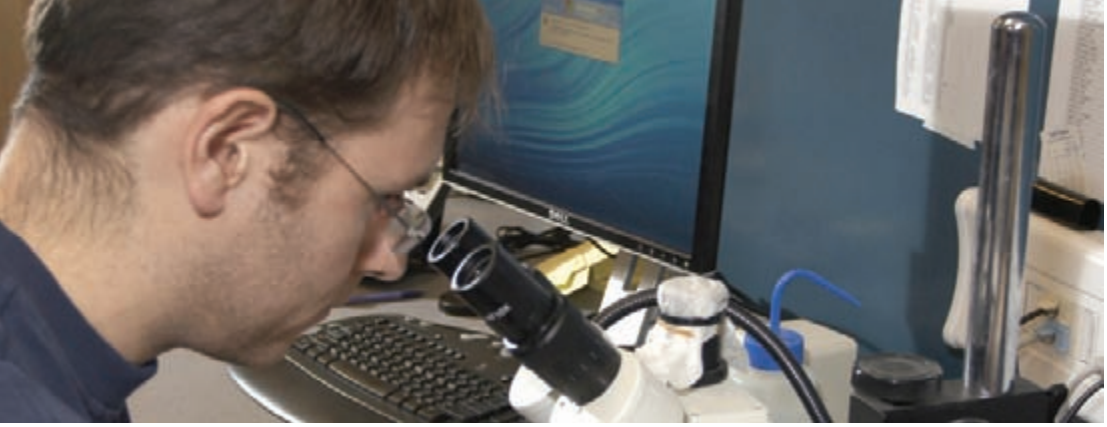
Office of Innovation

The Office of Innovation was established by legislation to encourage and coordinate the state's research and development activities to foster collaboration among the state's higher education and nonprofit research institutions and the business community. Among the Office's responsibilities are an annual evaluation of the state's investment in research and development, oversight of the Experimental Program to Stimulate Research (EPSCoR) and staffing for the science and technology advisory council.

The National Governor's Association Center for Best Practices cited the Maine Comprehensive Research and Development Evaluation performed annually by the Office of Innovation, as one of three rigorous and effective performance measurement systems being conducted nationally. In 2007, evaluators reported that state R&D investments have "contributed to consistent growth in Maine's economy and has increased competitiveness relative to other states." Private sector recipients of funds report higher job growth (6.8 percent) than the rest of the Maine economy (0.5 percent) and significantly higher wages.

In 2007, the state received six new EPSCoR awards, bringing our total to $73,862,861 since 1992. This year's awards included:

- $633,000 Department of Energy EPSCoR award to the University of Maine
- $130,090 Department of Defense EPSCoR award to the University of Maine
- $206,989 Department of Defense EPSCoR award to the University of Southern Maine
- $2.3 million National Science Foundation ESPCoR award to the University of Maine
- $250,000 NASA EPSCoR award to University of Southern Maine



- $80,000 NASA EPSCoR award to University of Southern Maine

The Maine Science and Technology Advisory Council was replaced in statute by the Maine Innovation Economy Advisory Board. The MIEAB was constituted and had its first meeting in October 2007. The Office of Innovation is represented on the board and serves as staff.

In addition to these accomplishments, the office oversees the Maine Technology Institute (MTI) and the technology centers.

Maine Technology Institute

The Maine Technology Institute (MTI) is a private non-profit organization with a business-led board of directors that is one element of the state's economic development strategy. MTI supports Maine companies' early-stage research and development efforts, with the goal of helping them bring new products and services to the market in the following seven targeted technology sectors:

- Aquaculture and marine technology
- Advanced technologies for forestry and agriculture
- Biotechnology
- Composite materials technology
- Environmental technology
- Information technology
- Precision manufacturing technology

MTI's goals are to:

- contribute to the long-term development of a vibrant system of statewide research, development and commercialization of new technologies,
- enhance the competitive position of Maine's technology-intensive industries by encouraging existing and new Maine businesses to innovate and bring new technologies to market, and
- support clusters of industrial activity that create quality jobs for Maine people.

The wood extruder at the Advanced Engineered Wood Composites Center.

In fiscal year 2007:

- MTI funded 158 new technology development projects, totaling approximately $5.9 million. $11.6 million in capital investment by the companies themselves matched this funding.
- MTI approved funding for 114 seed grants for a total of $967,903, which leveraged matching investments of $1.645 million. Seed grants of up to $12,500 each are offered six times a year, and support early stage R&D efforts such as market research, patent filings and early prototype development.
- MTI approved funding for 19 Development Award proposals for a total of $4.6 million, which leveraged matching investments of approximately $6.88 million. These are competitive awards of up to $500,000 per project that are invested in technology-related companies to support research and development leading to commercialization of new products and services.
- MTI approved funding for six Cluster Enhancement Awards, totaling just under $250,000 and matched by more than $360,000. These grants of up to $200,000 per project are made to industry-led, collaborative initiatives that stimulate the growth of technology businesses in a particular technology sector. Recipients included the Landing School (Arundel) for production and quality control testing equipment for training and assistance for Maine composite materi-

Students at the Landing School

Applied Thermal Sciences in Sanford, Maine

als companies and MAGIC (Millinocket) for an analysis of Katahdin region forest products companies and matching market opportunities for value-added forest products.

- An independent evaluation of MTI's award programs concluded that the organization is successful in supporting innovative activity and will continue to have a substantial impact on Maine's economy. One notable finding was that every $1 spent in MTI funding leverages $12 in additional private and public financing. Companies that received MTI funding also:
    - Reported job growth of 6.2 percent annually between 2001 and 2006, compared to approximately 1 percent growth statewide.
    - Paid wages that are 20 percent higher than the average Maine wage.
    - Bought materials (32 percent) and services (42 percent) from other Maine companies.
    - Secured more than $155 million in debt and equity funding
    - Equaled or exceeded $100 million in revenues by 2006.

The Advanced Engineered Wood Composites Center at the University of Maine.

Applied Technology Development Centers (ATDC)

The Applied Technology Development Centers (ATDC) system is an integral component of the state's efforts to further develop a technology-based economy. Located throughout the state, the centers comprise a system of business incubators aimed at accelerating the early-stage development of technology-based companies. In 2007, the Office of Innovation provided management grants to four of the original centers:

- Maine Center for Entrepreneurial Development, located at the University of Southern Maine
- The Target Technology Center in Orono
- The Maine Aquaculture Incubator, with facilities both in Walpole and Franklin
- River Valley Technology Center in Rumford

Maine International Trade Center Staff (pictured here) services companies statewide from their Portland, Lewiston, and Bangor offices.

Maine International Trade Center

The Maine International Trade Center (MITC) is a unique public-private partnership 501(c)3 whose mission is to expand Maine's economy through increased international trade in goods and services and related activities. Through its offices in Bangor, Lewiston and Portland, MITC strives to meet the international needs of businesses across Maine.

Major Accomplishments

Maine exports increased over 33 percent in the past five years from $2 billion in 2002 to $2.6 billion in 2006. The previous state export record was $2.4 billion, set in 2004. Maine exported to 166 different destinations in 2006. Canada remains the state's leading export market at $922 million. Maine exports to Japan and South Korea, destinations of the 2007 trade mission, had sales increase by 47 percent and 29 percent respectively. China moved up to Maine's third largest foreign market, receiving over $150 million of Maine goods in 2006.

Programming

MITC had 13 programs in its three offices in 2006, with 661 attendees participating statewide. The trade education series teaches Maine companies about export regulations, developing international contacts, financial tools and market information on areas such as the European Union, Canada, Asia and Latin America. The largest program event of the year, Maine International Trade Day, was located at the Samoset Resort in May, featuring over 20 trade attaches' from various countries, 240 attendees, and a keynote address on "Innovation and the Global Marketplace" by Deepak Advani, of Lenovo/IBM ThinkPad.

Outreach and Technical Assistance

MITC consulted and performed market research for over 1,000 indi-

Maine International Trade Center booth at the GLEE show in Birmingham, UK

vidual business requests in the past fiscal year, and organized and led four overseas trade events resulting in approximately $2.8 million in reported international sales. Inquiries for trade assistance have increased 75 percent in the past five years. MITC continued the Future Global Leaders Program, providing invaluable career experience and opportunities to Maine's youth and future exporters. Eleven Maine students participated in the program in 2006.

Trade Missions/Shows

In March 2007, three Maine forest products companies participated in the Interzum show in Guangzhou, China. Stratton Lumber of Stratton, Robbins Lumber of Searsmont, and Timber Resource Group of Farmington were represented at the show, which is one of the largest international furniture production trade fairs in China. Approximately $2 million of sales have been reported as a result of the Maine booth.

Four Maine boat builders and composites companies, as well as representatives of the Maine Made program, attended the China International Boat Show in Shanghai. The April 2007 show was the 12th edition, and has become a leading marine event for the Asia-Pacific region. Hodgdon Yachts, Wilbur Yachts, Correct Building Products, and Maine Built Boats attended.

Governor Baldacci and John Richardson, along with a contingent of 29 delegates representing business, education, tourism and government, participated in a trade mission to South Korea and Japan to explore future trade relations between Maine and the two countries' major commerce centers. Japan and South Korea rank 4th and 5th, respectively, in the amount of Maine products purchased and are important markets for Maine businesses to pursue.

Canada Desk

MITC's Canada Desk, founded in 1998 with support from Bangor Savings Bank, continued working closely with Maine's companies doing business in Canada. The Canada Desk assisted approximately 100 businesses in 2006.

MITC's Canada Desk is also taking a lead role in the establishment of

The Maine trade delegation at the China Boat Show (shown here in Shanghai) were introduced to key buyers and leaders in the growing Chinese luxury boat market.

the Bangor-Saint John Trade & Growth Corridor. Working in cooperation with the Eastern Maine Development Corporation and Enterprise Saint John, the Canada Desk is actively assisting in the creation of business-to-business linkages in Maine and New Brunswick. To that end, the Canada Desk hosted a program at the University of Maine on the energy industry in Atlantic Canada.

Also in early 2007, MITC, in cooperation with the Office of Tourism, hosted a breakfast briefing for Maine and Quebec legislators on the status of relations between the two jurisdictions. Held during the Quebec Winter Carnival, the briefing attracted approximately 50 attendees.

China Desk

MITC's China Desk was established in 2005 to reflect the growing importance of the Chinese market to Maine's exporters. In 2007, the China Desk assisted approximately 100 companies.

The U.S. exported more than $500 million of wood products to China in 2006 and that number is expected to grow as China's economy continues to develop. In order to help Maine wood exporters penetrate the Chinese market, MITC's China Desk has brought some of Maine's leading wood products companies to China to exhibit at trade shows, including WoodMac 2006 in Shanghai, Interzum 2007 in Guangzhou and ZOW 2007 in Shanghai. A return trip to Guangzhou is scheduled for March to participate in Interzum 2008, Asia's leading woodworking and supplies trade event, with thousands of exhibitors, seminars, special events and attendees from around the globe.

DECD

Maine Department of Economic and Community Development

- Office of the Commissioner
  - Maine International Trade Center
  - Deputy Commissioner
    - Office of Business Development
      - Business Development Programs
    - Office of Community Development
    - Office of Small Business Entrepre-neurship
    - Office of Tourism
      - Maine Film Office
    - Office of Innovation
      - Maine Technology Institute

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