

Taking on the World

CHANGE AND OPPORTUNITY IN
THE FIELD OF INTERNATIONAL
DEVELOPMENT

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WORLD MARKET

- GLOBAL RESTRUCTURING OF INDUSTRY
- STOCK MARKET AND WORLD CAPITAL INTEGRATION
- RISE OF THE NEW INDUSTRIAL ORGANIZATION
- OUTSOURCING/VALUE CHAIN

MARKET FORCES

- FREE MARKET ENVIRONMENTS
- MARKETS ARE CHANGING
- MEGATRENDS
 - TRADE AGREEMENTS
 - E-COMMERCE
 - TRANSPORTATION
 - SERVICE SECTOR
 - EMERGING MARKETS

E-COMMERCE OPPORTUNITIES

- OF THE WORLDS 34 LARGEST COMPANIES 7 ARE INTERNET BASED
- \$200 BILLION TODAY, \$800 BILLION TOMORROW AND \$1 TRILLION IN 5 YEARS
- OPPORTUNITY FOR SMALL AND MEDIUM SIZED COMPANIES
- INSTANT GLOBAL MARKET SHARE
- ELECTRONIC DATA INTERCHANGE

E-COMMERCE CHALLENGE

- COMMUNITIES WILL HAVE TO OFFER INTERNET CONNECTIONS
- IMPACT ON MANUFACTURING, SERVICES AND RETAIL
- POTENTIAL FOR LOSS OF MARKET SHARE = BUSINESS LOSS
- RETAILERS ON I-NET = 12%-39% IN ONE YEAR
- BY 2020 ALL I-NET INVESTMENT WILL EQUAL ALL CAPITAL INVESTMENT

TRANSPORTATION

- INTERMODAL CAPABILITY IS IMPORTANT
- RAPID MOVEMENT TO MARKET
- DISTRIBUTION CHAINS ALL IMPORTANT
- AIR CARGO MORE AFFORDABLE
- FAST SHIPS IN USAGE
- RAIL MERGERS ABOUND

SERVICE SECTOR

- HIGH TECH AND SERVICES DOMINATE US EXPORT MARKET
- US EXPORTS \$239B OR 16% OF ALL SERVICES WORLDWIDE
- SINCE 1998, SERVICE EXPORTS EXCEED US IMPORTS
- 83 MILLION JOBS – DIRECT AND INDIRECT

EMERGING MARKETS

- 80% OF WORLD CONSUMERS BY 2000 VS 4% IN USA
- GLOBAL ECONOMY PROJECTED TO GROW AT TWICE THE US RATE
- THERE IS FIERCE COMPETITION FOR INVESTMENT AND CAPITAL WORLDWIDE

US TRADE -BEFORE

- US LEAST EXPORT INTENSIVE OF INDUSTRIALIZED NATIONS
- EXPORTS PREVIOUSLY ONLY 11% OF GNP
- AVERAGE FOR EUROPEAN NATIONS IS 30%
- LARGE COMPANIES DOMINATE 54%
- ONLY 23% OF MANUFACTURERS EXPORT

US TRADE -TODAY

- US AVG. MARKET SHARE OF WORLD TRADE = 22% WORLDS LARGEST
- US TRADE INCREASE OVER 50% OF TOTAL US ECONOMIC GROWTH SINCE 1986
- PROJECTED TO REACH \$3.2 TRILLION BY 2010

US TRADE SIGNIFICANCE

- OVER 12 MILLION JOBS
- ONE IN FIVE MANUFACTURING JOBS
- ONE IN THREE AGRICULTURE JOBS

BARRIERS TO EXPORTING

- FEAR OF THE UNKNOWN
- DOCUMENTATION IS DIFFERENT
- MARKETING
- PAYMENT/FINANCING
- COMMITMENT OF TIME AND RESOURCES

BENEFITS OF EXPORTING

- EVERY DIRECT JOB = TWO SUPPORTING JOBS
- COMPANY BENEFITS –
 - HIGHER PRODUCTIVITY AND GROWTH
 - LOWER FAILURE RATES
 - MORE COMPETITIVE
 - MORE MARKET SHARE
 - MORE INNOVATIVE

benefits continued:

- EMPLOYEE BENEFITS -
 - AVERAGE 15% MORE IN WAGES
 - 33% MORE IN BENEFITS
 - JOB STABILITY
 - HIGHER SKILL LEVELS



State Of Mississippi

Mississippi's International Trade

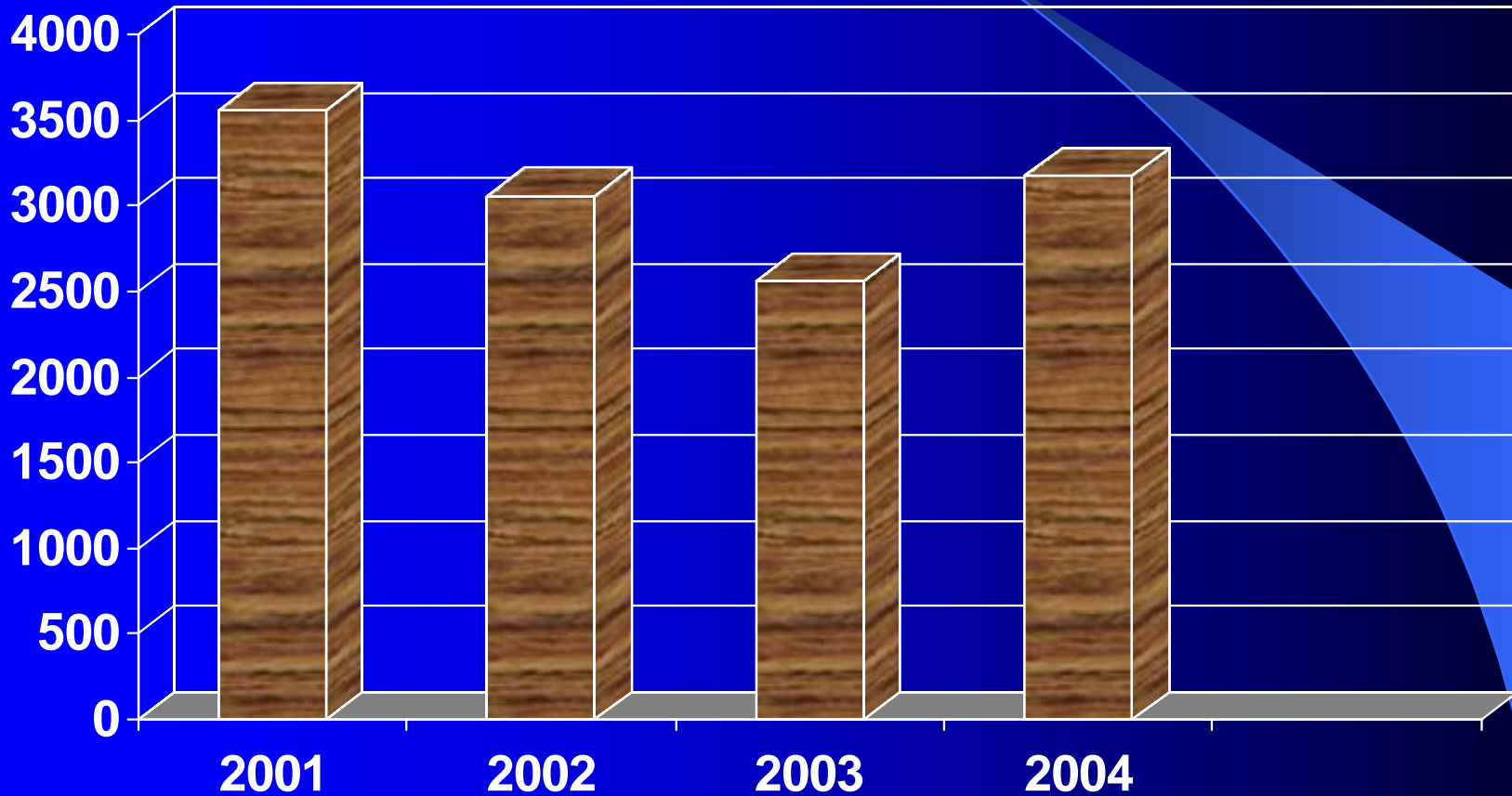
Top 10 Export Markets in 2004

● Canada	718M	+23%
● Mexico	466M	+82%
● Belgium	242M	+16%
● Nigeria	203M	+4,676%
● China	116M	+6%
● United Kingdom	110M	+22%
● Brazil	91M	+63%
● Germany	70M	-6%
● Guatemala	70M	+29%
● Honduras	63M	-33%

2004 Total Mississippi Exports: \$3.18 Billion +24%

Mississippi's Exports to the World

Million U.S.\$



Source: World Trade Atlas

Mississippi's International Trade

Major Exports in 2004

1.	MACHINERY	\$521M
2.	TANNING DYE/PAINT/PUTTY	\$274M
4.	COTTON+YARN/FABRIC	\$240M
5.	VEHICLES	\$213M
6.	PLASTIC	\$173M
7.	PAPER/PAPERBOARD	\$158M
8.	ELECTRICAL MACHINERY	\$135M
9.	FURNITURE/BEDDING	\$131M
10.	MINERAL FUEL/OIL	\$95M

Export Related Employment in Mississippi

- Mississippi exports last year totaled \$3.2 Billion (+24%)
- Approximately 50,000 Mississippi jobs are attributed to exports
- Every job directly supported by exports is backed by two additional jobs in supporting industries

GETTING STARTED

- ASSESS EXPORT POTENTIAL
- WHO EXPORTS
- WHO HAS PRODUCTS THAT COULD BE EXPORTED
- PRODUCT MIX
- SERVICES

LOCAL SUPPORT SERVICES

- BANKERS
- FREIGHT FORWARDERS
- LAWYERS
- ACCOUNTANTS
- INSURANCE AGENTS
- TRANSPORTATION PROVIDERS

MARKET ANALYSIS

- RESEARCH FOREIGN MARKET
- PARTICIPATION IN A TRADE SHOW
- REGISTER COMPANIES IN STATE TRADE LEAD PROGRAM
- ENCOURAGE ATTENDANCE AT SEMINARS, CONFERENCES, MISSIONS AND CATALOG SHOWS

EXPORT ASSISTANCE ORGANIZATIONS

- STATE TRADE OFFICE
- FEDERAL AGENCIES
- DISTRICT EXPORT COUNCIL
- WORLD TRADE CENTER

MARKET DATA

- STATE DEVELOPMENT OFFICE
- US DEPARTMENT OF COMMERCE
- US AID
- US EMBASSIES
- LOCAL INSTITUTIONS OF HIGHER LEARNING
- INTERNET SOURCES

REFERENCE MATERIALS

- MAGAZINES
- BOOKS
- SOFTWARE
 - LANGUAGE
 - GEOGRAPHIC
- INTERNET

TRADE LEADS

- STATE TRADE OFFICE
- TRADE ACTIVITY
- MARKET INFORMATION
- USDOC TRADE LEADS
- INTERNET
- WORLD TRADE CENTER

INVESTMENT LEADS

- STATE DEVELOPMENT OFFICE
 - FOREIGN OFFICES
- SITE LOCATION CONSULTANTS
- LOCAL EXPANSIONS
- INTERNET

FINANCIAL ASSISTANCE

- EXPORT/IMPORT BANK
- US AID
- EXPORT TRADING COMPANIES
- OPIC, SBA, FAS

LOCAL DEVELOPER ROLE

- LEADERSHIP
- PROGRAM DEVELOPMENT
- EXISTING BUSINESS SUPPORT

BUSINESS PRACTICES

- CUSTOMS
- BUSINESS CARDS
- INTERPRETERS
- PRESENTATION MATERIALS
- RESEARCH
- PRODUCT MODIFICATION
- GIFT GIVING

business practices cont:

- COMMUNICATION
- FORMS OF ADDRESS
- DRESS
- ENTERTAINING
- APPOINTMENTS

FROM A BROCHURE OF A CAR RENTAL FIRM IN TOKYO

“WHEN PASSENGER OF FOOT
HAVE IN SIGHT, TOOTLE THE
HORN. TRUMPET HIM
MELODIOUSLY AT FIRST, BUT
IF HE STILL OBSTACLES YOUR
PASSAGE THEN TOOTLE HIM
WITH VIGOR”

“The mission of the Mississippi Development Authority is, through the prudent application of resources, to develop and implement programs and services that improve the quality of life for our citizens and enhance the economic growth and prosperity of the State of Mississippi.”

Mississippi Development Authority