

**Northern Michigan and Eastern Upper Peninsula
Knowledge Economy Strategies Project
Co-Learning White Paper #3**

**Exporting Resources for and Identification of
Eastern Upper Peninsula and Northern Michigan
Companies Engaged or Interested in Exporting**



**Michigan State University
Center for Community and Economic Development**

in cooperation with the

Northeast Michigan Council of Governments
Alcona, Alpena, Cheboygan, Crawford,
Montmorency, Oscoda, Otsego, Presque Isle Counties

Northwest Michigan Council of Governments
Antrim, Benzie, Charlevoix, Emmet, Grand Traverse,
Kalkaska, Leelanau, Manistee, Missaukee, Wexford Counties

**Eastern Upper Peninsula
Regional Planning & Development Commission**
Chippewa, Luce, Mackinac Counties

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A digital version of this report is available at
KnowledgePlanning.org

**EDA Northern Michigan and Eastern Upper Peninsula
Knowledge Economy Strategies Project
Co-Learning White Paper**

In October 2008, the Michigan State University Center for Community and Economic Development (CCED) initiated a project with the support of the U.S. Department of Commerce Economic Development Administration (EDA) to develop innovative economic development strategies with three Northern Michigan regional planning partners: the Eastern Upper Peninsula Regional Planning and Development Commission (EUPRPDC), Northeast Michigan Council of Governments (NEMCOG), and Northwest Michigan Council of Governments (NWMCOG). The goal of the project is to create new knowledge-based economic opportunities in the regions and to successfully compete in the global knowledge economy.

An assessment of each region's Comprehensive Economic Development Strategy (CEDs) identified strengths, weaknesses, and opportunities, and helped each region to develop their requests for Collaborative Learning (Co-Learning) White Papers. Co-Learning White Papers are designed to provide regional planners and their stakeholders with relevant new knowledge, focus, and capacity. This new knowledge and capacity serves as a platform for regional planners and stakeholders to create innovative regional economic development strategies focused on competing in the global knowledge economy. By understanding the dynamics and demands of global knowledge economy forces, regional leaders can better align their regional investment priorities with those demands.

This Co-Learning White Paper was produced in response to a request for information on exporting opportunities by the Eastern Upper Peninsula Regional Planning and Development Commission (EUPRPDC).

Disclaimer

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Exporting Resources for and Identification of Eastern Upper Peninsula and Northern Michigan Companies Engaged or Interested in Exporting

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1. Introduction

Exporting can be a powerful part of a company's drive to competitive success in the global knowledge economy and to the economic growth of its surrounding community. By reaching beyond domestic markets, a company can increase its production, sales, and jobs. Exporting companies are also known to have higher productivity so they are more competitive and successful. However, only 4% of U.S. companies export. As a result, U.S. exports make up about 10% of GDP compared to 40% in Europe and China, 36% in Canada, and 16% in Japan.¹

In light of these economic circumstances, the President set a goal to double exports by 2015 and increased Export-Import Bank trade financing by \$2 billion per year effort to increase support for small and medium-sized businesses.² The U.S. Commercial Service and SBA have also stepped up programs to support small and medium companies that seek to export or expand their current exporting.

In spite of the compelling economic arguments for exporting, the project team fully recognizes that getting started in export markets often presents daunting hurdles for small and medium-sized companies. But it's important to point out that nearly 42% of all U.S. exporters in 2005 had fewer than 19 employees. This White Paper seeks to lower some of the hurdles for small and medium-sized companies by identifying and describing exporting resources that are available. This White Paper also identifies companies in the Eastern UP and Northern Michigan that currently export and those interested in exporting. Companies may want to collaborate in their investigation and implementation of exporting opportunities.

To promote exporting and collaboration in the Eastern UP and Northern Michigan, the project team co-sponsored an Exporting 101 Workshop with the U.S. Commercial Service and U.S. Small Business Administration May 24, 2010 in Gaylord, MI. Panelists included representatives of the U.S. Commercial Service, U.S. SBA, Fifth Third Bank, Sault Ste. Marie, Ontario EDC, and Pine River, Inc. Workshop participants included representatives of private companies, our three regional planning partners, local EDCs, Michigan Economic Development Corporation (MEDC), and the International Bridge Authority (Sault Ste. Marie). The presentations made at the workshop may be found in the appendix.

2. Exporting Resources

U.S. EXPORT ASSISTANCE CENTERS

The U.S. Commercial Service (in the U.S. Department of Commerce International Trade Administration) provides a complete menu of services through its Export Assistance Centers for companies that seek to start or expand exporting. These Centers provide "one-stop shops" with all types of export assistance for small and medium-sized businesses. The centers combine the trade, marketing expertise, and resources of the U.S. Commercial Service and the financial expertise and resources of the Small Business Administration and U.S. Export-Import Bank. Companies can obtain information on:

- Locating and evaluating overseas buyers and representatives, distributors, and partners
- Foreign markets for U.S. products and services
- Foreign economic statistics
- Export trade options and export documentation requirements

¹ Howard F. Rosen, Visiting Fellow, Peterson Institute for International Economics, Testimony to the U.S. Senate Finance Subcommittee on International Trade, December 9, 2009.

² Council on Foreign Relations, Obama's Speech on the National Export Initiative, March 11, 2010, retrieved May 25, 2010 from <http://www.cfr.org/publication/21642/>

- U.S. export licensing requirements and import requirements of foreign nations
- International trade exhibition participation and certification
- Export seminars and conferences.

Personalized counseling with international trade specialists can help companies assess their export potential and develop effective exporting strategies, target the best markets based on market research conducted by overseas commercial officers and industry specialists, identify trade leads, and locate potential partners.

These centers also serve as the gateways to the U.S. Commercial Service's 150 overseas offices in over 80 countries. These overseas offices provide background information on foreign companies, agent-distributor locator services, market research, business counseling, assistance in making appointments with key buyers and government officials, and representations on behalf of companies adversely affected by trade barriers.

Companies may use the U.S. Commercial Service's Gold Key Service, Platinum Key Service, international company profiles, and the Commercial News USA. Gold Key Service provides companies with one-on-one appointments with potential buyers, sales reps, and business partners in a company's targeted export area. This service also includes customized market and industry briefings with in-country trade experts prior to business meetings. Platinum Key Service provides a more intensive relationship with Commercial Service specialists working with the company to identify requirements and develop a plan to meet company objectives through long-term (6-12 months) sustained support.

International company profiles provide information on the reliability of prospective buyers or trading partners. Information includes type of organization, year established, size, reputation, territory covered, sales, product line, principal owners, financial information, and trade references. On-site commercial officers make recommendations on the suitability of the prospective trading partner.

Commercial News USA is an exporting marketing magazine that promotes U.S. products and services worldwide. It's disseminated to buyers and screened agents in 19 countries in print and online.

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U.S. SMALL BUSINESS ADMINISTRATION

The SBA operates three trade finance assistance programs to assist small businesses in exporting, including the Export Working Capital Program, International Trade Loan Program, and the SBA Export Express described below.

EXPORT WORKING CAPITAL PROGRAM (EWCP)

SBA’s Export Working Capital Program (EWCP) loans are targeted to small businesses that can generate export sales and need additional working capital to support these sales. Since most banks in the U.S. do not lend against export orders, export receivables or letters of credit, SBA provides lenders guaranties of up to 90 percent on export loans to ensure that qualified exporters do not lose viable export sales due to a lack of working capital. The maximum loan amount is \$2 million.

How Funds May Be Used: EWCP loans are used for transaction financing. EWCP loans can also be used to even out cash flow when exporters have negotiated longer sales terms and cannot carry the resulting receivables with their own working capital. The EWCP loan can be a short-term loan for a single contract or in the form of a line of credit that supports ongoing export sales for a period of 12 months.

Eligibility: Financing is available for manufacturers, wholesalers, export trading companies and service exporters. EWCP loan borrowers must meet SBA 7(a) eligibility and size standards (less than 500 employees for manufacturers, less than 100 employees for wholesalers) and have been in business for at least one year. SBA can waive the one year in business requirement if the applicant can demonstrate sufficient export expertise and business experience.

How to Apply: A small business applies directly to a participating lender. The lender reviews/approves the application and submits the request to the SBA staff at the U.S. Export Assistance Center location servicing the exporter’s geographic territory. Exporters can apply for EWCP loans in advance of finalizing an export sale or contract. With an approved EWCP loan in place, exporters have greater flexibility negotiating export payment terms, secure in the assurance that adequate financing will be in place when the export order is won.

For More Information: go to www.sba.gov/international .

INTERNATIONAL TRADE LOAN PROGRAM

The International Trade Loan Program offers term loans to businesses that plan to start or continue exporting or that have been adversely affected by competition from imports. The proceeds of the loan must enable the borrower to be in a better position to compete. The program offers borrowers a maximum SBA-guaranteed portion of \$1.75 million.

How Funds May Be Used: Funds may be used for the acquisition, construction, renovation, modernization, improvement or expansion of long-term fixed assets or the refinancing of an existing loan used for these same purposes.

Eligibility: International Trade loans are available to small businesses that are in a position to expand existing export markets or develop new export markets, or small businesses that have been adversely affected by international trade and can demonstrate that the loan proceeds will improve their competitive position.

Loan Amount: The maximum gross amount (\$2 million) and SBA-guaranteed amount (\$1.5 million) for an International Trade loan are the same as the basic 7(a) loan. However, there is an exception to the maximum guaranty amount for one borrower. When the borrower has an International Trade loan and a separate working capital loan, the maximum SBA guaranty on the combined loans can be up to \$1.75 million as long as the SBA guaranty on the working capital loan does not exceed \$1.25 million.

How to Apply: Interested businesses should apply through a participating lender.

For More Information: go to www.sba.gov/international and click on International Trade Loan Program.

SBA EXPORT EXPRESS

SBA Export Express helps small businesses develop or expand their export markets. The program provides exporters and lenders a streamlined method to obtain SBA-backed financing for loans and lines of credit up to \$250,000. Most banks in the U.S. do not lend against export orders, export receivables or letters of credit. SBA temporarily provides lenders with up to a 90 percent guaranty on export loans as a credit enhancement to encourage participating banks to make loans that make the necessary export financing available. Lenders use their own credit decision process and loan documentation. SBA provides an expedited eligibility review and provides a response in less than 24 hours, so exporters get access to funds faster.

How Funds May Be Used: Loan proceeds may be used to finance any export development activity, including:

- Standby letters of credit when required as a bid bond, performance bond, or advance payment guarantee
- Participation in a foreign trade show
- Translation of product brochures or catalogs for use in overseas markets
- General lines of credit for export purposes
- Service contracts from buyers located outside the United States
- Transaction-specific financing needs associated with completing actual export orders

- Providing term loans and other financing to enable small business concerns, including export trading companies and export management companies, to develop foreign markets
- Acquisition, construction, renovation, modernization, improvement or expansion of productive facilities or equipment to be used in the United States in the production of goods or services for export.

Eligibility: SBA Export Express loans are available to businesses that meet the normal requirements for an SBA 7(a) business loan guaranty. Financing is available for manufacturers, wholesalers, export trading companies and service exporters. Loan applicants must demonstrate that the loan proceeds will enable them to enter a new export market or expand an existing export market. Applicants must have been in business, though not necessarily in exporting, for at least 12 months.

How to Apply : Application is made directly to the lender. Lenders use their own application materials in addition to SBA's Borrower Information Form. Lenders approve the request and then submit a limited amount of eligibility information to SBA's National Loan Processing Center. The SBA provides a response within 24 hours. Interested businesses should contact their existing lender to determine if it is an SBA Express lender. Lenders that participate in the SBA Express program are also able to make Export Express loans.

For More Information: go to www.sba.gov/international and click on Export Express Loan Program.

U.S. EXPORT-IMPORT BANK

www.exim.gov

As the official U.S. export credit agency, the Ex-Im Bank supports companies who need pre-export financing, protection against buyer nonpayment, or financing for their buyers. The Export-Import Bank provides specialized financing tools like working capital guarantees and export credit insurance.

Guarantees for working capital cover up to 90% of the lender's risk so exporters can access the funds they need to produce or purchase U.S.-made goods and services for export. Working capital financing supports short-term loans (with no minimum or maximum limits) for generally one year, but can go up to 3 years. These loans must be secured by export-related collateral.

A lender can advance up to 90% for accounts receivable, while inventory and work-in-process receive advance rates of up to 75%. For posting bid or performance bonds to support export orders, only a 25% collateral pool is required.

U.S. CUSTOMS

<http://www.customs.gov>

U.S. Customs and Border Protection (CBP) in the Department of Homeland Security facilitates about \$2 trillion per year in legitimate trade while enforcing U.S. trade laws to protect the U.S. economy and U.S. health and the safety. CBP partners with the trade community, other government agencies, and foreign governments.

U.S. DEPARTMENT OF AGRICULTURE FOREIGN AGRICULTURE SERVICE (FAS)

<http://fas.usda.gov>

The mission of the USDA Foreign Agriculture Service is to link U.S. agriculture to world markets to enhance export opportunities and global food security. The export forecast for FY 2010 indicates that U.S. farmers, ranchers, and producers will realize \$104.5 billion in sales, an \$8 billion increase over 2009 and the second highest level in history.

U.S. STATE DEPARTMENT

http://travel.state.gov/travel_warning.html

Publications

[A Basic Guide to Exporting: The Official Government Resource for Small and Medium-Sized Businesses](#), 2008, 10th Edition, U.S. Department of Commerce, International Trade Administration.

This exceptionally well-written resource is an indispensable guide to all aspects of exporting, including developing an export strategy and a marketing plan; export advice; approaches to exporting; finding qualified buyers; using technology licensing and joint ventures; preparing products for exporting (branding, labeling, and packaging); international legal considerations; shipping methods; pricing, quotations, and terms; payment methods; financing export transactions; and business travel abroad. Several sample forms are also included, like an air waybill, straight bill of lading, shipper's letter of instructions, confirmed irrevocable letter of credit, and many others.

[Breaking into the Trade Game: A Small Business Guide to Exporting](#), 4th Edition

http://www.sba.gov/idc/groups/public/documents/sba_program_office/oit_bitg4th_full.pdf

This publication provides basic information for companies that are considering exporting, including a workbook to evaluate a company's commitment to exporting, assessing the potential of their products for global markets, and improving the management of their international operations. The guide also provides information on agencies and resources that can help businesses find public and private sector partners, training and research assistance, countries where they may be exporting to, and overseas markets (both federal and non-federal resources). Information on export financing includes how to make sure the exporter gets paid; the differences between services and lending; private and government export financing resources; and SBA loan programs.

[Trade Finance Guide: A Quick Reference for U.S. Exporters](#)

<http://www.ita.doc.gov/media/Publications/pdf/tfg2008.pdf>

Published by the U.S. Department of Commerce International Trade Administration in 2008, this excellent 26-page guide provides information on methods of payment in international trade, cash-in-advance, letters of credit, documentary collections, open accounts, export working capital financing, government-guaranteed working capital loan programs, export credit insurance, export factoring, forfaiting, government-assisted foreign buyer financing, and foreign exchange risk management. This guide is intended to assist small and medium-sized businesses turn exporting opportunities into actual sales and to get paid for those sales in a timely fashion.

Online Resources

EXPORT ADMINISTRATION REGULATIONS DATABASE

http://www.access.gpo.gov/bis/ear/ear_data.html

This data base contains important information on the Export Administration Regulations (EAR) and also includes a directory of office exporter services; general information (definitions, what regulations cover, how to proceed and where to get help, etc); helpful hints for exporters, and other exporting resources. Files can be downloaded in different formats.

U.S. DEPARTMENT OF COMMERCE TRADE EVENTS

http://export.gov/eac/trade_events.asp

U. S. Department of Commerce Business Development Mission's searchable trade events can be accessed at this web site.

EXPORT LIBRARY

<http://www.sba.gov/aboutsba/sbaprograms/internationaltrade/exportlibrary/index.html>

The Export Library provides information and resources to assist businesses entering and competing in the global market place, including a description of, and loan application for, the Export Working Capital Program and SBA and Export-Import Bank Co-Guarantee Program. The International Trade Administration's Trade Finance Guide is also available.

OTHER SBA TRADE LINKS

<http://www.sba.gov/aboutsba/sbaprograms/internationaltrade/links/index.html>

This page provides a wealth of resources for anyone who wishes to start exporting, including links to a U.S. Business Advisor, who provides one-stop access to federal government information, services, and transactions; associations that help small exporting businesses such as the U.S. Chamber of Commerce and the World Trade Centers Association; country and market information to search for a market to sell a product; and information on forwarding and shipping. This page also links the potential exporter to government agencies that help with and regulate trade; trade and business news as well as other trade publications of interest; and finance and statistical resources. Finally, there are links provided to give information on customs, visa travel, and trade law, as well as a directory on trade shows worldwide.

SBA INTERNATIONAL TRADE PAGE

<http://www.sba.gov/aboutsba/sbaprograms/internationaltrade/index.html>

The SBA wants to enhance the ability of small businesses to compete in the global marketplace. The International Trade page provides links to fast facts on international trade, SBA Export Finance Programs, and more export tools and assistance. Also included are online courses, videos, and podcasts featuring information on finding your next customer and taking your business global.

EXPORT.GOV

www.export.gov

Export.gov brings together resources from across federal agencies to assist American businesses in planning their international sales strategies and succeeding in the global marketplace, including the newest information on exporting and the National Export Initiative (NEI).

EXPORT-U.COM

This portal provides free export webinars sponsored by the U.S. Export Assistance Center in Atlanta, the U.S. Export Service, and the University of Georgia SBDC. Webinars cover topics like taking a first look at international trade, pricing products in selected markets, and bank loan guarantees. It also lists useful links for information on export controls and licensing, international news, and country data.

SCHEDULE B HARMONIZED SYSTEM

<http://www.census.gov/foreign-trade/schedules/b/>

Harmonized System (HS) numbers are used to classify products for customs purposes. By international agreement, most countries recognize the same first 6 "harmonized" digits. To get a duty rate, one needs to have the complete product number used by the importing country. Since this is sometimes difficult, companies can use the Schedule B number to approximate.

Schedule B numbers are used to classify exported products in the United States and are based on the international HS system. HS numbers and Schedule B numbers are the same as the importing country's classification code up to the first 6 digits.

The export statistics are initially collected and compiled in terms of approximately 8,000 commodity classifications in *Schedule B: Statistical Classification of Domestic and Foreign Commodities Exported from the United States*. The United States International Trade Commission allows you to [search](#) the Harmonized Tariff Schedule of the United States Annotated (HTSUSA) for import commodity codes. Because import and export commodity codes match at the six-digit level, you may also use the [Schedule B Search](#) to find the first six digits of your import number. Once you have obtained the six-digit subheading, you can look up the full ten-digit import code in the [HTSUSA](#).

MARKET RESEARCH

<http://export.gov/mrktresearch/index.asp>

Use market research before you start exporting to gauge your product's potential in a given market, the best prospects for success, and the market's business practices. Resources include industry overviews, market updates, bank reports, best markets, and industry/regional reports that are available only to US companies, students, and researchers registered with Export.gov (register on this page).

TRADE DATA

<http://dataweb.usitc.gov>

The USITC Interactive Tariff and Trade DataWeb provides international trade statistics and U.S. tariff data to the public full-time and free of charge. The USITC DataWeb responds to user-defined queries integrating international trade statistics with complex tariff and customs treatment, and allows both expert and non-expert users to create and save customized country and product lists for future re-use from anywhere in the world. International trade data are available for years 1989- present on a monthly, quarterly, annual, or year-to-date basis and can be retrieved in a number of classification systems.

TRADE INFORMATION CENTER

800-872-8723 (800-USA-TRADE)

<http://www.trade.gov/td/tic>

This center provides information on all federal agency export assistance programs.

EXPORT LICENSING

BUREAU OF INDUSTRY AND SECURITY (BIS)

U.S. DEPARTMENT OF COMMERCE

<http://www.bis.doc.gov>

The BIS Online Training Room at <http://www.bis.doc.gov/seminarsandtraining/seminar-training.htm> provides narrative and video modules covering the essentials of export controls (basic definitions, export license requirements, items subject to the Export Administration Regulations, etc) and anti-boycott compliance.

CIA WORLD FACTBOOK

<http://www.cia.gov/cia/publications/factbook/index.html>

The World Factbook provides information on the history, people, government, economy, geography, communications, transportation, military, and transnational issues for 266 world entities. Reference tabs include maps of the major world regions; flags of the world; a physical map of the world; political map of the world; and standard time zones across the globe.

3. Methods to Identify Exporting Eastern Upper Peninsula and Northern Michigan Companies and Companies Interested in Exporting and Analysis

In response to the Eastern Upper Peninsula Regional Planning and Development Commission's request for co-learning research on exporting, the project team first focused on identifying the extent of current exporting activity in the EUP. Preliminary exporting company data was obtained from the Michigan Economic Development Corporation (MEDC) Export Connection (<http://ref.michigan.org/medc/export/>). MEDC lists companies with their respective locations and products by industry, and each industry was searched for companies located in the Eastern UP and Northern Michigan. In some cases, www.manta.com was used to supplement MEDC data. Finally, data was also obtained from respective company web sites.

As MEDC data identified just two exporting companies in the Eastern UP, that data was deemed suspect, especially after the project team learned that the MEDC data was last updated in 2006.

The project team then worked with the Eastern Upper Peninsula Regional Planning and Development Commission and the Sault Ste. Marie EDC to generate a list of 11 manufacturing companies. Web-based research revealed that these 11 companies represent a relatively diverse range of advanced or specialty manufacturing activities.

The project team designed a short survey instrument to identify exporters from this list, their exported products, and countries they export to. For non-exporters, survey questions were designed to determine whether those non-exporters are interested in seeking export markets and whether they need any assistance to enter export markets.

The project team conducted a telephone survey of the 11 Eastern UP manufacturing companies July 2-6, 2009 and nine responded.

Data for each exporting company includes:

- Address
- Number of Employees
- Year Established
- Products
- Countries Exporting to (or where the company is interested in exporting)
- Export Sales as Percentage of Total Sales

The survey identified seven exporting companies in addition to the two companies listed by MEDC (of those two, however, one expressed interest in exporting rather than reporting current exporting). Five companies expressed interest in entering export markets; three were unsure. Only one company indicated it is not interested in exporting.

At least two Eastern UP exporters produce highly-sophisticated medical/surgical equipment. Each company collaborates with its end-market customers to design products tailored to meet their customers' specific requirements. The existence of this high-end medical/surgical manufacturing sector suggests that there are potential expansion opportunities that could be pursued to further develop an advanced manufacturing sector.

Based on MEDC and the CCED survey data, information is provided in this White Paper for 54 exporting companies in the three regions. Data is incomplete for 27 of those companies.

4. Exporting Companies and Companies Interested in Exporting

Eastern Upper Peninsula

Bunker Manufacturing, Inc

1501 12th Street/Industrial, PO Box 416

Sault Ste. Marie, MI 49783

(906) 632-3829

Approx. 15 employees, est. 1960

Currently interested in exporting to all countries

Exports dies, stampings, weldments.

Detroit Die Cutting

Sault Ste. Marie, MI

(906) 635-1553

Approx 10 employees

Currently exporting to Canada, Mexico

Exports foam rubber gaskets

Export sales as % of sales: <25%.

Haske Post Company

Cedarville, MI

(906) 484-2603

Approx. 8 employees

Family-owned and operated since 1968

Currently exports to Canada

Exports cedarwood products; finished products for homes

Export sales as % of sales: 5-10%.

Hoover Precision Products

Sault Ste. Marie, MI

(906) 632-7310

Approx 42 employees, est. 1913 in Ann Arbor

Currently exports to Japan, England, Germany, Spain, Belgium, Netherlands, China, Poland, Hungary, others

Exports precision balls.

JAS Veneer and Lumber

1300 W. 12th St

Sault Ste. Marie, MI 49783

(906) 632-0710

Approximately 25 employees. Started in 1978.

Annual sales approximately \$4.5 million.

Provides hardwood veneer manufacturing services and produces approximately 30 million sq. ft. of veneer. Wood types include hickory, ash, maple, cherry, oak, and mahogany (answers.com, manta.com).

Exports to Far East customers in addition to US, and also imports various woods to offer exotic species.

McDowell Hay, Inc

8361 W. M48

Rudyard, MI 49780

(906) 478-3511

Approx. 3 employees, est. 1948

Currently exports to Bahamas, Greater Antilles, Haiti, Jamaica, Lesser Antilles, West Indies

Exports hay compress

Export sales as % of sales: 20%.

Precision Edge Surgical Products

Sault Ste. Marie, MI

(906) 632-4800

Approx. 100 employees, est. 1989

Currently exports to Ireland

Exports surgical equipment

Export sales as % of sales: <25%.

R&B Electronics

Sault Ste. Marie, MI

(906) 632-1542

Approx. 53 employees, est. 1985

Currently exporting to Canada, Europe, Great Britain, Middle East, Israel, Czech Republic

Exports boards, grounding straps, jumpers, grounding products, small engine parts

Export sales as % of sales: <25 % (about 20%).

Superior Fabrication

Kinross, MI

(906) 495-5634

Approx. 49 employees, est. 2004

Currently exporting to (many countries)

Exports forklift mast parts

Export sales as % of sales: <25%.

Northeast Michigan

Besser Company

801 Johnson St.

Alpena, MI 49707

(989) 354-4111

Approx. 1000 employees, est. 1904

Annual sales \$75,000,000

Currently exporting to Canada, China, India, Mexico, Panama, Russia, Spain

Exports machinery for producing concrete masonry products: blockmaking machines, mixers, product handling equipment, palletizing machines.

Carlisle Paddles, Inc

4562 N. Down River Rd, PO Box 488

Grayling, MI 49738

(989) 348-9886

Approx. 20 employees, est. 1980

Annual sales \$2,500,000

Currently exporting to Canada, England, France, Germany, Italy, Japan, Mexico

Exports canoe paddles, kayak paddles, boat oars, raft oars, flatwater equipment

Export sales as % of sales: 6%.

Cheboygan Tap & Tool Co.

100 Gerow St, PO Box 408

Cheboygan, MI 49721

(800) 633-3133

Approx. 40 employees, est. 1927

Annual sales: \$2,500,000

Currently exporting to Canada, India, Mexico, Taiwan, Venezuela

Exports special and off standard threading tools including taps, thread rolls, thread mill cutters, thread grooving tools, and gages

Export sales as % of sales: 5%.

Fiber Char Corporation

3336 Piper Rd

Alpena, MI 49707

(989) 356-4533

Approx. 20 employees, est. 1978

Annual sales \$1,000,000

Currently exporting to Canada

Exports picture frame molding, flooring

Export sales as % of sales: 5%.

Panel Processing

120 North Industrial Highway, PO Box 457

Alpena, MI 49707

(800) 433-7142

Approx. 230 employees, est. 1971

Annual sales \$44,000,000

Currently exporting to Australia, Canada, China, Mexico, Uruguay

Exports pegboard, particle board, fiberboard components

Export sales as % of sales: 5%.

W & S Development, Inc

4957 Main Street, PO Box 297

Greenbush, MI 48738

(517) 724-5463

Approx. 15 employees, est. 1978

Annual sales \$1,000,000

Currently exporting to Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Mexico, Panama, Venezuela

Exports hydraulic cutterhead dredges

Export sales as % of sales: 95%.

Northwest Michigan

A.D. Joslin Manufacturing Co.

123 Arthur St, PO Box 227

Manistee, MI 49660

(231) 723-3581

Approx. 12 employees, est. 1926

Currently exporting to Australia, Belgium, Netherlands

Exports code marking and identification type and dies for food processing industry

Export sales as % of sales: 20%.

AAR Cadillac Manufacturing Div. of AAR Manufacturing, Inc

201 Haynes St, PO Box 550

Cadillac, MI 49601

(231) 779-8800

Approx. 336 employees, est. 1962

Annual sales \$50,000,000

Currently interested in exporting to Argentina, Austria, Belgium, Bolivia, Brazil, Chile,

China, Colombia, Ecuador, France, Germany, Italy, Netherlands, Paraguay, Peru,

Portugal, Spain, Switzerland, United Kingdom, Venezuela

Exports cargo systems for military and commercial aircraft: lightweight, high strength composite panels, shelters, containers, platforms for rapid deployment, wood/shipping containers.

Alcotec Wire Co.

2750 Aero Park Dr

Traverse City, MI 49686

(231) 941-4111

Approx. 100 employees, est. 1998

Currently exporting to (all countries)

Exports aluminum welding, brazing, metalizing wire, aluminum mechanical wires incl. rivet wire, zipper wire, nail wire, closure wire.

Bell's Fishery

229 S Huron Ave

Mackinaw City, MI 49701

(231) 436-7821

Approximately 15 employees, started in 1972

Annual sales: \$3,000,000.00

Exports whitefish and chub caviar, fresh whitefish, trout, perch; smoked fish including whitefish, trout, chubs, salmon, fish sausage and pate.

Interested in exporting to all countries.

Big Jon Trolling Systems, Inc.

3680 Cass. Rd

Traverse City, MI 49684

(800) 637-7590

Approx. 20 employees, est. 1997

Currently exporting to Australia, Canada, Finland, New Zealand, Sweden

Exports fishing tackle equipment for trolling, fresh, and saltwater; downriggers, rod holders, diving devices, planers, lures.

Export sales as % of sales: 15%

Bohning Co., Ltd.

7361 N. 7 Mile Rd

Lake City, MI 49651

(231) 229-4247

Approx 35 employees, est. 1946

Annual sales: \$4,000,000

Currently exporting to Australia, Austria, France, Germany, Italy, Netherlands, New Zealand, South Africa, Spain, Sweden, Switzerland, United Kingdom

Exports Evergreen Christmas tree colorant

Export sales as % of sales: 2%.

Boride Products Div. of Kennametal EPG

2879 Aero Park Drive

Traverse City, MI 49686

(231) 946-2100

Approx. 65 employees, est. 1967

Currently exporting to China, England, France, Germany, Italy, Japan, Republic of Korea

Exports tungsten carbide and ceramic consumable tools; sandblast nozzles and waterjets

Export sales as % of sales: 25%.

Camtec, Inc

343 Hughes Drive

Traverse City, MI 49686

(231) 947-6758

Approx. 40 employees, est. 1980

Annual sales \$4,000,000

Currently interested in exporting to all countries

Exports molds-plastic injection, compression, transfer, rim, diecast, prototype & production.

Century Specialties

2410 W. Aero Park Court

Traverse City, MI 49686

(231) 946-7500

Approx. 250 employees; est. 1969

Annual sales: \$18,000,000

Currently exporting to Australia, Japan, Republic of Korea, Singapore, Taiwan

Exports twin screw extruders and replacement parts for other OEM Twin screw extruders

Export sales as % of sales: 10%.

Chateau Chantal

15900 Rue De Vin

Traverse City, MI 49686-9379

(231) 223-4110

Approximately 15 employees, started in 1990

Annual sales: \$1,300,000.00

Currently exporting to Germany

Exports organic cherry and grape wine, sparkling wine and fruit juices

Export sales as % of sales: 1%.

Chateau Grand Traverse, Ltd.

12239 Center Rd

Traverse City, MI 49868

(231) 223-7355

Approximately 15 employees, started in 1974

Annual sales: %2,000,000.00

Currently exporting to Japan

Exports wines, mustards, vinegars, marinades

Export sales as % of sales: 2%.

Cherry Central, Inc

1771 S. US-31 S, P.O. Box 988

Traverse City, MI 49685

(231) 946-1860

Approximately 95 employees, started in 1973

Annual sales: \$120,000,000.00

Currently exporting to Austria, Belgium, Canada, China, France, Germany, Hungary, India, Japan, Netherlands, South Africa, Switzerland, United Kingdom

Exports frozen and canned tart cherries, sweet cherries, apple slices; frozen blueberries; dried tart cherries and blueberries.

Export sales as % of sales: 3%.

Coding Products

111 W. Park Drive

Kalkaska, MI 49646

(231) 258-5521

Approx. 90 employees, est. 1977

Annual sales \$21,000,000

Currently exporting to Argentina, Brazil, Bulgaria, Canada, Colombia, France, Germany, Indonesia, Italy, Kuwait, Malaysia, Mexico, Peru, Taiwan, Thailand, United Kingdom, Venezuela

Exports heat transfer inks; thermal transfer ribbons for most makes of printers and substrates

Export sales as % of sales: 20%.

Cope Tool & Die, Inc

920 Commerce Drive

Traverse City, MI 49684

(231) 943-8882

Approx. 15 employees, est. 1984

Annual sales: \$1,500,000

Currently exporting to Mexico

Exports precision grind inserts and mandrels of carbide for cold heading

Export sales as % of sales: 1%.

DCL, Inc

08660 Ance Rd, PO Box 125

Charlevoix, MI 49720

(231) 547-5600

62 employees, est. 1981

Annual sales: \$8,000,000.00

Currently exporting to Canada, Chile, China, India, Mexico, Venezuela

Exports loading spouts, dust free loading of dry materials into trucks, railcars, ships; I.B.C. filling equipment, bulk bag filling; slide gates & diverter valves, flow control of bulk materials

Export sales as % of sales: 18%.

Eastwood Custom Homes, Inc

213 S. Airport Rd. West

Traverse City, MI 49686

(231) 941-5046

Approx. 50 employees, est. 1978

Annual sales \$8,000,000

Currently interested in exporting to Czechoslovakia, France, Germany, Greenland, Italy, Japan, Mexico, Portugal, South Africa, Spain, United Kingdom

Exports wood framed-custom built houses.

Edge Lifesciences

13606 S. West Bayshore Drive

Traverse City, MI 49685

(800) 873-6070

Approx. 5 employees, est. 1995

Annual sales \$300,000

Currently exporting to Australia, Canada, New Zealand, Switzerland, United Kingdom

Exports ceramic sharpening stones used for dental instruments

Export sales as % of sales: 10%.

For Play Sports Products, Inc

7591 North US 131

Manton, MI 49663

(231) 824-9241

Approx. 2 employees, est. 1990

Currently interested in exporting to Canada, Mexico

Exports pontoon boats; small gas or electric outboard motor.

Great Lakes Carbon Treatment, Inc

3300 U.S. 131 N. Highway, PO Box 968

Kalkaska, MI 49646

(231) 258-8014

Approx. 22 employees, est. 1989

Annual sales \$2,300,000

Currently interested in exporting to Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, French Guiana, Mexico, Paraguay, Peru, Suriname, Uruguay, Venezuela.

GTP Industries

2883 Aero Park Drive

Traverse City, MI 49686

(231) 922-4886

Approx. 75 employees, est. 1974

Annual sales \$3,100,000

Currently interested in exporting to Canada

Exports assembly and packaging materials.

Hayes Manufacturing, Inc

6875 U.S. 131, PO Box 220

Fife Lake, MI 49633

(231) 879-3372

Approx. 20 employees, est. 1966

Annual sales \$2,500,000

Currently exporting to Canada, United Kingdom

Exports power transmission equipment

Export sales as % of sales: 15%.

Industrial Magnetics, Inc

1240 S. M-75 Hwy

Boyne City, MI 49712

(231) 582-3100

70 employees, est. 1961

Annual sales: \$10,000,000

Currently exporting to Canada, Chile, France, India, Malaysia, Mexico, New Zealand, United Kingdom

Exports magnetic assemblies; magnetic separation equipment and conveying assemblies for the food processing and feed industries

Export sales as % of sales: 10%.

JanTec, Inc

1777 Northern Star Dr

Traverse City, MI 49686

(231) 941-4339

30 employees, est. 1979

Annual sales: \$5,000,000

Currently exporting to Canada, Mexico, Republic of Korea, Taiwan

Exports powered belt turn conveyors, spiral belt conveyors, angle merge conveyors, merge conveyor straight conveyors, spiral gravity chutes, plastic belt conveyors
Export sales as % of sales: 5%.

Keegan Hay Co, LLC

3516 Emmett Rd
Emmett, MI 48022
(810) 384-6620
7 employees, est. 1966
Annual sales: \$2,000,000
Currently exporting to Ireland, United Arab Emirates, United Kingdom
Exports compressed hay and straw for race horse trade
Export sales as % of sales: 10%.

Lead Screws International, Inc

2101 Precision Drive
Traverse City, MI 49686
(231) 947-4124
Approx. 25 employees, est. 1985
Annual sales \$3,000,000
Currently exporting to Canada, Mexico
Exports precision ground ball screws.

Leelanau Fruit Company

2900 S. West Bay Shore Drive
Suttons Bay, MI 49682
(231) 271-3514
Approximately 50 employees, est. 1967
Annual sales: \$3,000,000
Currently exporting to Canada, Greece
Exports frozen fruit, brined cherries
Export sales as % of sales: 10%.

Midwest International Standard Products, Inc

105 Stover Rd, PO Box 438
Charlevoix, MI 49720
(231) 547-4000
Approx. 18 employees, est. 1974
Currently exporting to Australia, Belgium, Canada, Chile, India, Israel, Jordan, Nicaragua, United Kingdom, Venezuela
Exports dry bulk handling equipment
Export sales as % of sales: 40%.

Michigan Rubber Products, Inc

1200 Eighth Avenue
Cadillac, MI 49601

(231) 775-1316

Approx. 400 employees, est. 1972

Annual sales \$40,000,000

Currently exporting to Argentina, Austria, Belgium, Brazil, Canada, France, Germany, Mexico, Poland, Puerto Rico, United Kingdom, Venezuela

Exports rubber products: bumpers, grommets, isolators, bushings, tubes, seals, ducts.

Normic Industries, Inc

1733 Park Drive

Traverse City, MI 49686

(231) 947-8860

Approx. 30 employees, est. 1969

Annual sales: \$3,000,000

Currently exporting to Canada, Mexico, Thailand

Exports name plates, decorative trim

Export sales as % of sales: 5%.

Petoskey Plastics

4226 U.S. Highway 31 South

Petoskey, MI 49770

(231) 347-2602

Approx. 170 employees, est. 1970

Annual sales \$38,000,000

Currently exporting to Germany, Sweden, United Kingdom

Exports custom blown film products: patented disposable seat covers for automobiles, can produce multilayer film structures

Exports sales as % of sales: 14%.

RJG, Inc

3111 Park Drive

Traverse City, MI 49686

(231) 947-3111

Approx. 50 employees, est. 1989

Currently interested in exporting to all countries

Exports hydraulic and mold pressure transducers; process monitoring and control equipment for the plastics industry

Export sales as % of sales: 4%.

Stagg Machine Products

11711 W. Cadillac Rd

Cadillac, MI, 49601

(231) 775-2355

Textron Power Transmissions

240 East 12th Street, PO Box 272

Traverse City, MI

(231) 946-8410

Approx. 257 employees, est. 1936

Currently exporting to (all countries)

Exports double enveloping worm gearing and speed reducers for various industries.

Thomas & Milliken Millwork, Inc

931 Mill St, PO Box 265

Northport, MI 49670

(231) 386-7236

Approx 18 employees, est. 1977

Annual sales \$25,000,000

Currently interested in exporting to all countries

Exports cabinetry, flooring, trim, laminate, stairs.

Tool Kraft

2628 Garfield Rd, Unit 36

Traverse City, MI 49686

(231) 947-8167

Town Country Cedar Homes

4772 US-131 South

Petoskey, MI 49770

(231) 347-4360

Approx. 100 employees, est. 1947

Annual sales \$25,000,000

Currently exporting to Canada, Japan, Thailand

Exports design and fabrication of log and timber homes

Export sales as % of sales: 15%.

Trantek Automation Corporation

2470 North Aero Park Court

Traverse City, MI 49686

(231) 946-6270

Approx. 20 employees, est. 1986

Annual sales \$4,000,000

Currently exporting to Canada

Exports linear screw drivers, transfer shuttles, load/unload overhead gantries, vertical lifters, control systems

Export sales as % of sales: 1%.

Triple D. Orchards, Inc

8310 Stormer Rd, PO Box 507

Empire, MI 49630

(231) 326-5174

Approx. 75 employees, est. 1973

Currently exporting to Australia, Germany

Exports red tart pitted cherries, maraschino cherries.

World Magnetics

810 Hastings St

Traverse City, MI 49686

(231) 946-3800

Est. 1959

Currently exporting to (all countries)

Exports magnetic heads, pressure sensors and switches, vacuum switches

Export sales as % of sales: 30%.

5. Highlights of the Exporting 101 Workshop

To foster greater awareness of small business exporting opportunities, the MSU Center for Community and Economic Development sponsored a workshop, "Think Global: Exporting 101," for economic development leaders and small businesses Monday, May 24, 2010 in Gaylord, Michigan. Workshop panelists included J. D. Snyder, MSU Project Director; Richard Corson, Director of the U.S. Exporting Assistance Center (Pontiac); Bruce Brogan, Vice President of International Trade Finance at Fifth-Third Bank (Southfield); John O'Gara, Regional Manager of the U.S. Small Business Administration (SBA); Larry Boog, Business and Accounting Manager at Pine River Inc.; and Bruce Strapp, CEO of the Sault Ste, Marie, Ontario EDC.

J. D. Snyder briefly described the major findings of the project's survey of 19 Eastern Upper Peninsula manufacturing companies to identify exporting companies and companies interested in exporting. He pointed out that the Exporting 101 workshop was held, in part, to respond to companies that had indicated an interest in exporting in the 2009 EUP manufacturing company survey.

Richard Corson described U.S. Commercial Service resources available to small and medium-sized businesses. The mission of this agency is to promote the export of goods and services by helping U.S. businesses find qualified international partners and buyers. Its services include customized market and industry briefings with local trade specialists; marketing materials and background research on foreign companies; assistance with travel and interpreter services; and many others. Online resources cited in Mr. Corson's presentation are described in this White Paper.

Bruce Brogan discussed how to reduce the financial risk of international sales, particularly the use of Letters of Credit (L/Cs). Companies can use L/Cs to facilitate fair transactions when their business relationships are new or their buyers are located in an unstable country, among other uses. He also briefed workshop attendees on credit insurance, which also mitigates political and commercial risks.

John O'Gara described SBA export loan programs and the export credit insurance available from the U.S. Export-Import Bank. The SBA Export Working Capital Program provides advance rates on purchase orders and supports exporters' pre- and post-shipment working capital needs. SBA Export Express supports activities like marketing and trade shows; facilities or equipment to produce goods and services; and transaction-specific financing.

Larry Boog of Pine River, Inc. detailed his experiences in taking his company into exporting markets. Charlevoix-based Pine River Inc manufactures log siding and had no staff with prior experience in

exporting. He assured the workshop audience that while exporting may be daunting, it is completely achievable by the smallest of companies. His presentation served as a catalyst for conversations among company representatives attending the workshop, suggesting opportunities for future collaboration.

Bruce Strapp presented trade statistics from the Canadian side of the international border. Northern Ontario has approximately 26,000 businesses and its leading exported products include mining and primary metals, wood products and paper, and machinery. Assets and opportunities include alternative energy (wind, solar, hydro, and others); value-added steel and forestry; manufacturing (advanced, aviation, and fabrication); science and technology (GIS, invasive species/Great Lakes research); back office support; and education (Algoma University and Sault College).

See the Appendix for the panelists' complete presentations.

**Appendix 1:
Exporting 101 Workshop Agenda
and Presentation Materials**

- A. Exporting 101 Workshop Agenda**
- B. MSU Center for Community and Economic Development Presentation**
- C. U.S. Commercial Service, Export Assistance Center Presentation**
- D. U.S. Small Business Administration Presentation**
- E. Fifth Third Bank Presentation**
- F. Sault Ste. Marie, Ontario Economic Development Corporation Presentation**

A. Agenda

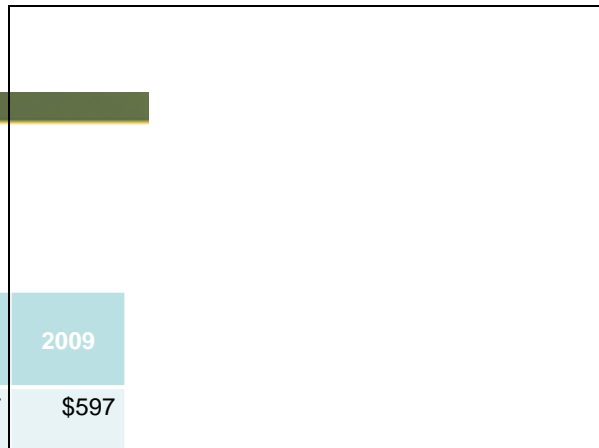
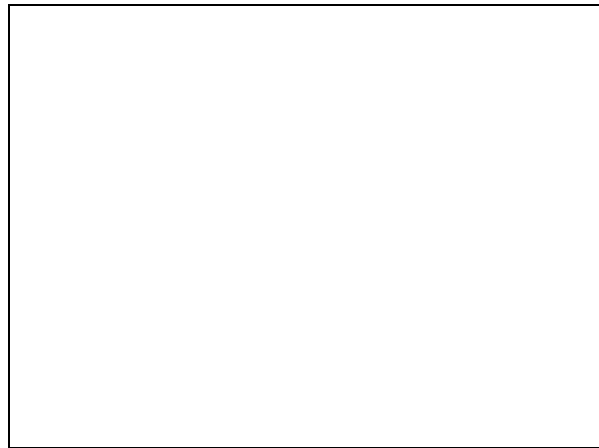
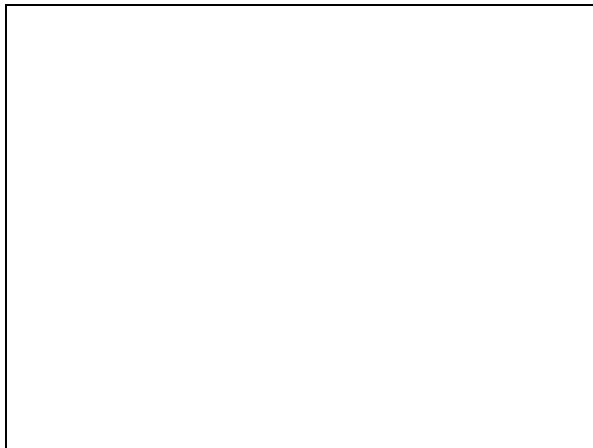
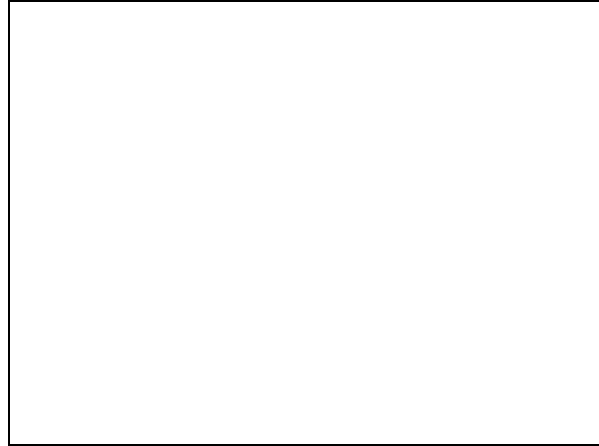
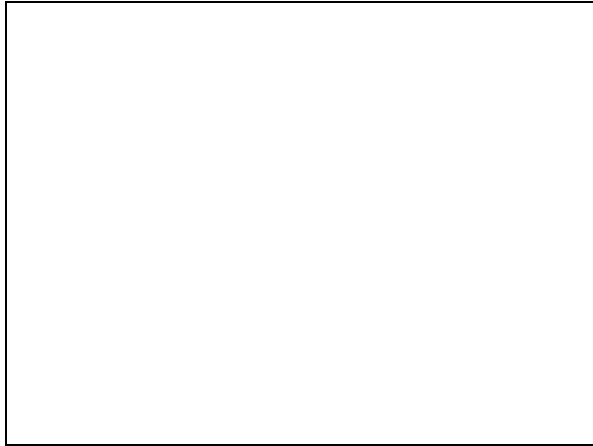
Exporting 101 Workshop

University Center
80 Livingston Blvd.
Gaylord, MI 49735

Monday, May 24, 2010
1:00-4:30 pm

- (1:00) I. Welcome/Introductions
- (1:05) II. Overview of MSU EDA Northern Michigan Knowledge Economy Strategies Project and Exporting Survey: JD Snyder, Project Director
- (1:20) III. Why Exporting is Important-U.S. Commercial Service Products and Services: Richard Corson, U.S. Export Assistance Center
- (2:00) IV. Export Financing and SBA Loan Programs: John O’Gara, SBA
- (2:35) V. Break
- (2:50) VI. Export Finance Solutions to Reduce the Financial Risk of International Sales: Bruce Brogan, Fifth Third Bank
 - a. Negotiation with foreign buyers
 - b. Risk mitigation tools
 - c. Extending deferred payment terms to overseas customers
- (3:20) VIII. My Experience in Exporting: Larry Boog, Pine River Inc
- (3:45) VII. Trade and Investment from Sault Ste. Marie and Ontario Perspectives: Bruce Strapp, CEO, Sault Ontario EDC
- (4:20) IX. Wrap-up, Richard Corson & JD Snyder

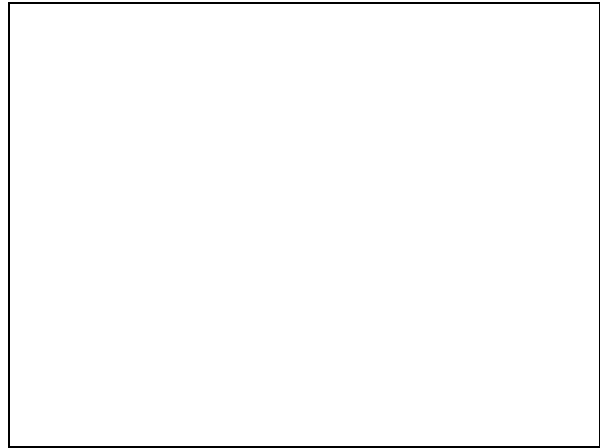
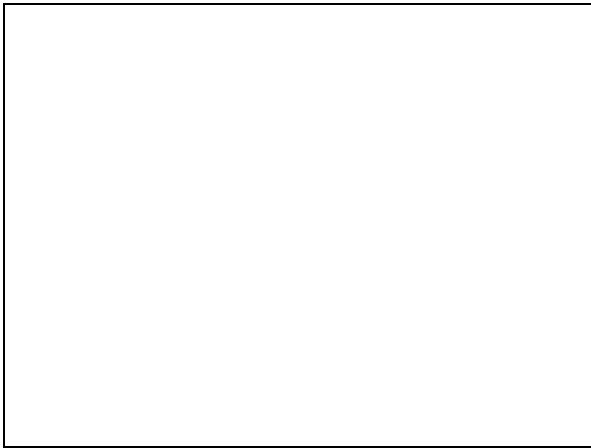
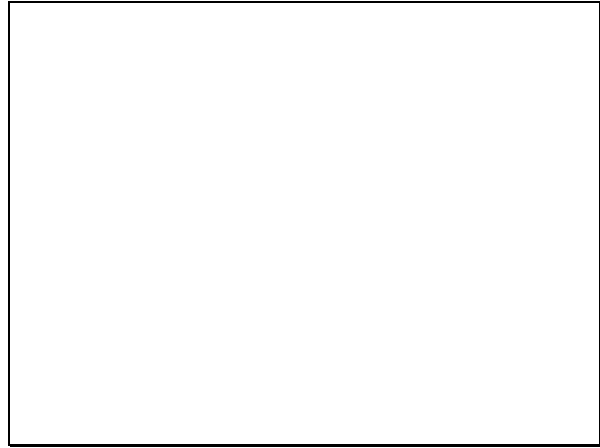
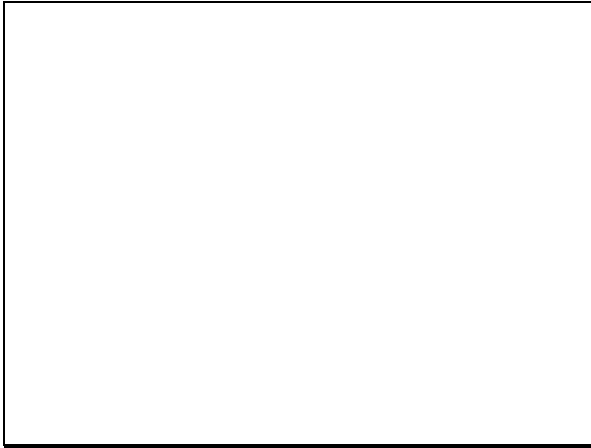
B. MSU Center for Community and Economic Development Presentation



Value of Trade by Truck US to Canada, 2005-2009

Location	Bridge	2005	2006	2007	2008	2009
Sault Ste. Marie, MI & ON	International Bridge	\$664	\$764	\$670	\$787	\$597
Port Huron, MI/Sarnia, ON	Blue Water Bridge	\$18,122	\$18,636	\$22,759	\$26,256	\$21,919
Detroit, MI/Windsor, ON	Ambassador Bridge	\$60,552	\$64,138	\$63,832	\$57,450	\$42,431

Porting Resources for and Identification of Upper Peninsula and Northern Michigan Companies Engaged or Interested in Exporting

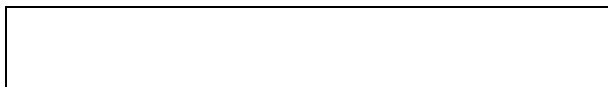
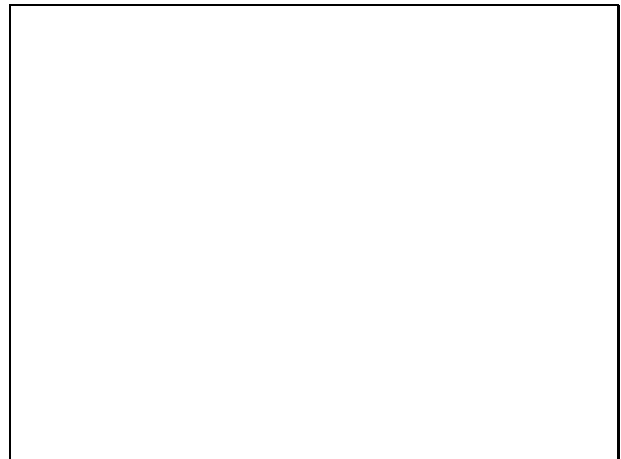
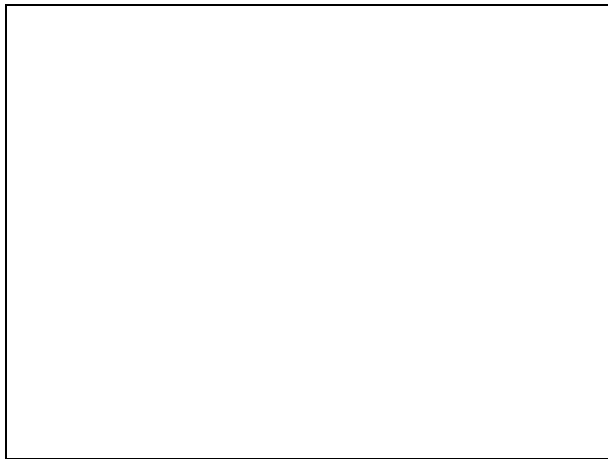
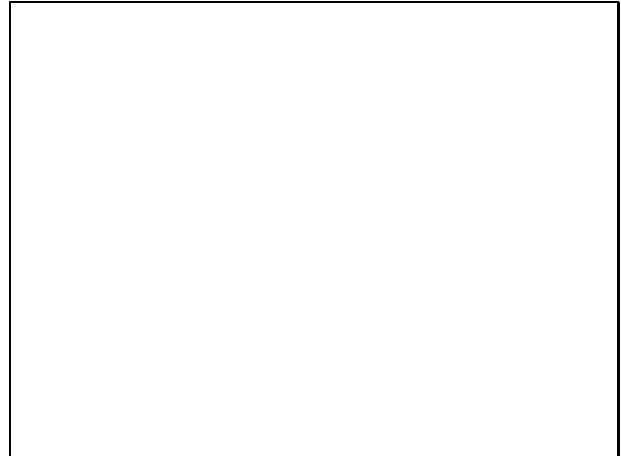
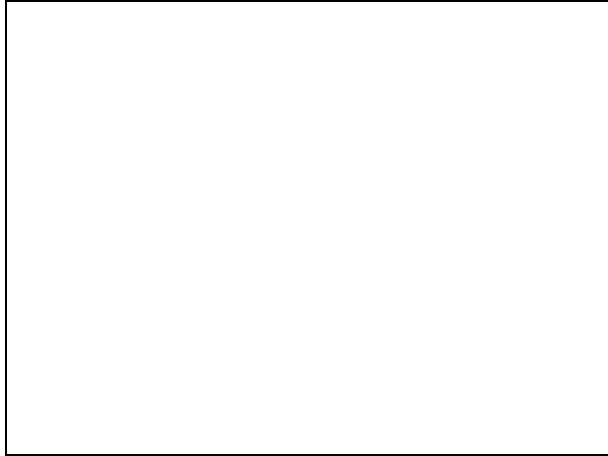


Panelists

- Richard Corson, U.S. Export Assistance Center
- John O’Gara, U.S. Small Business Administration
- Bruce Brogan, Fifth-Third Bank
- Bruce Strapp, Sault Ontario EDC
- Larry Boog, Pine River Inc.



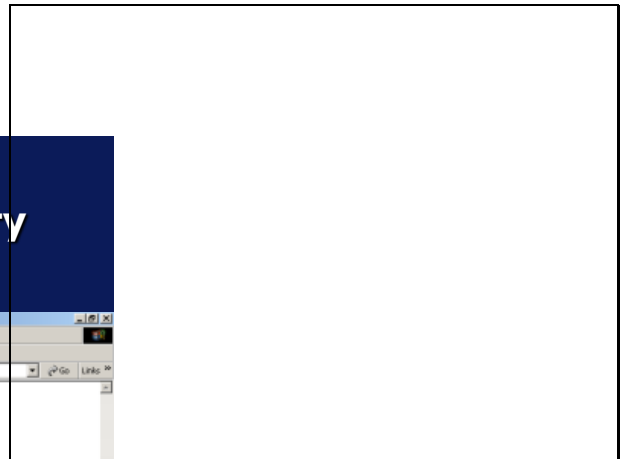
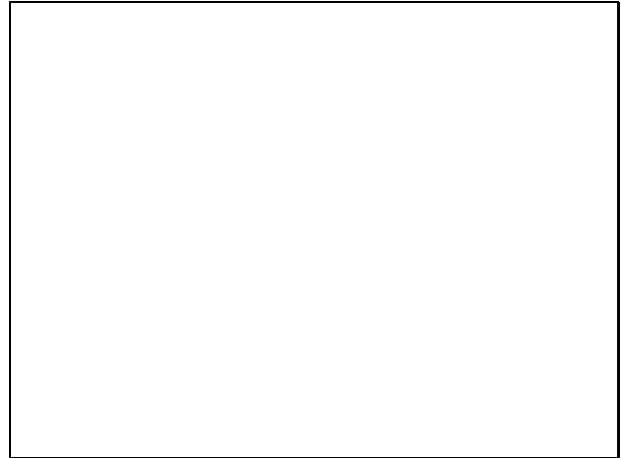
C. U.S. Commercial Service, Export Assistance Center Presentation



We Help You With Every Step

- (1) Determine Export Readiness
- (2) Screen Potential Markets
- (3) Assess Targeted Markets
- (4) Obtain Advice from Experts
- (5) Draw Conclusions

Exporting Resources for and Identification of Upper Peninsula and Northern Michigan Companies Engaged or Interested in Exporting




Market Research Library

U.S. Commercial Service | Your Global Business Partner - Microsoft Internet Explorer

Address: http://www.bizusa.gov/adssearch.cfm?search_type=INT&adv=0

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Region: All Regions

Country: All Countries

Report Type: All

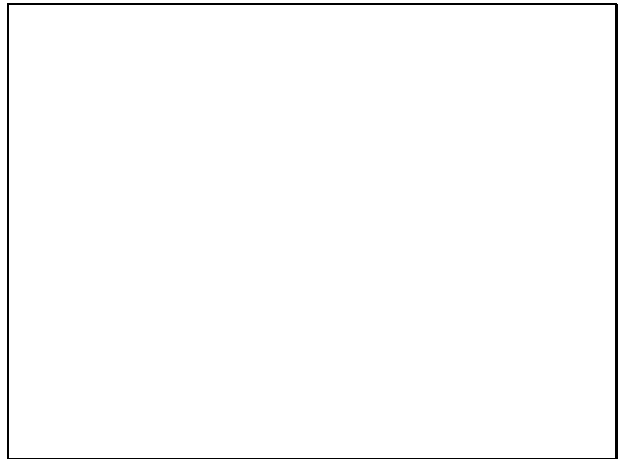
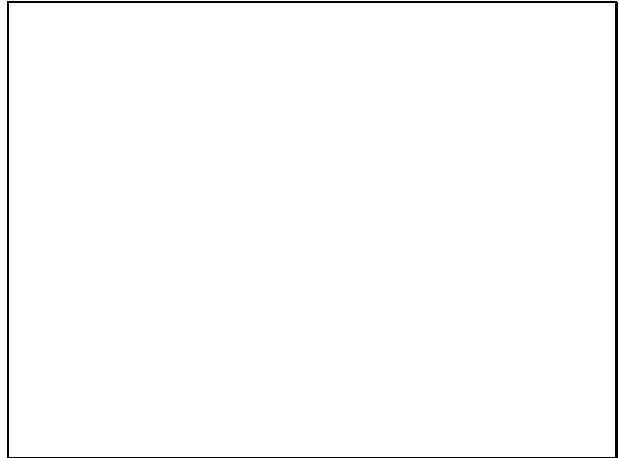
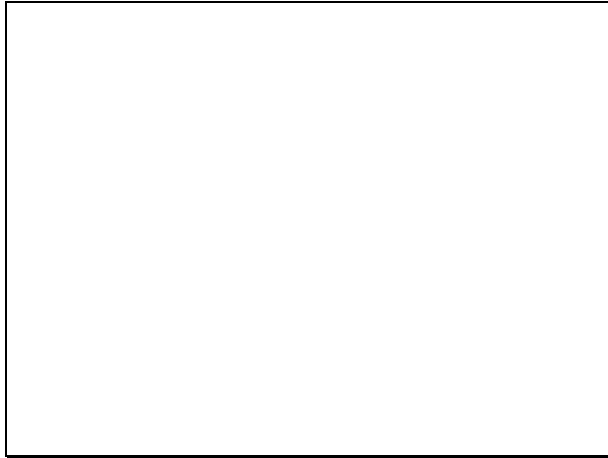
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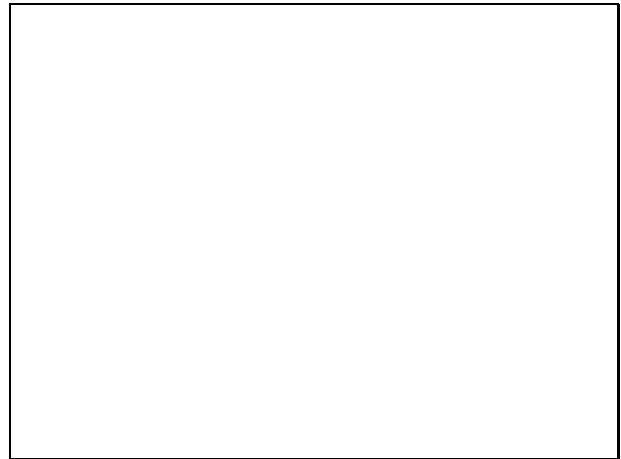
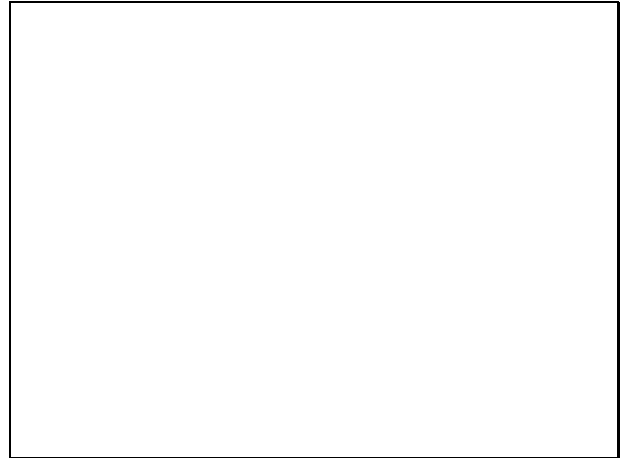
Single Company Promotions

The Single Company Promotion service offers support and event facilities which will allow you to engage your target audience through:

- Product launches
 - Sales seminars
 - Staff training
 - Networking receptions
- ❖ Facilities available include exhibition halls, auditoriums, meeting rooms, hotels and even the residences of some US Ambassadors.



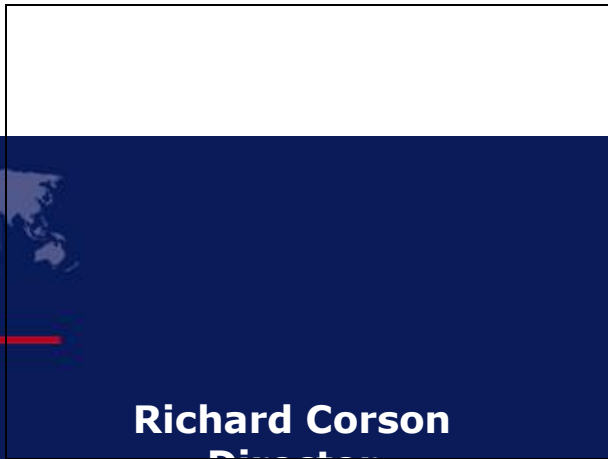
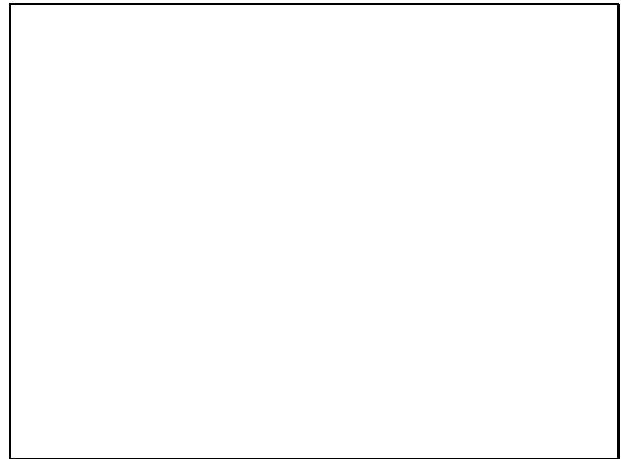
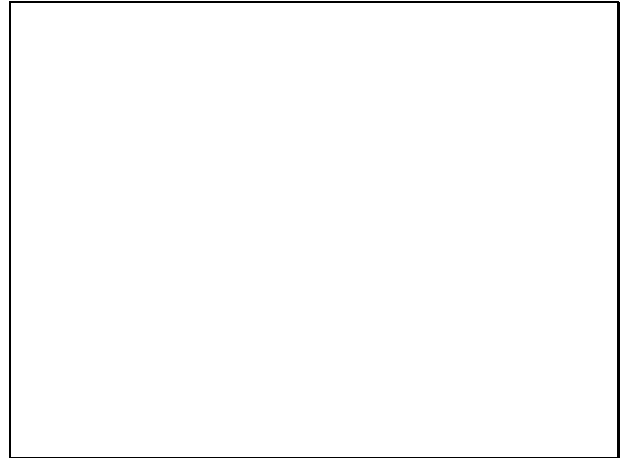
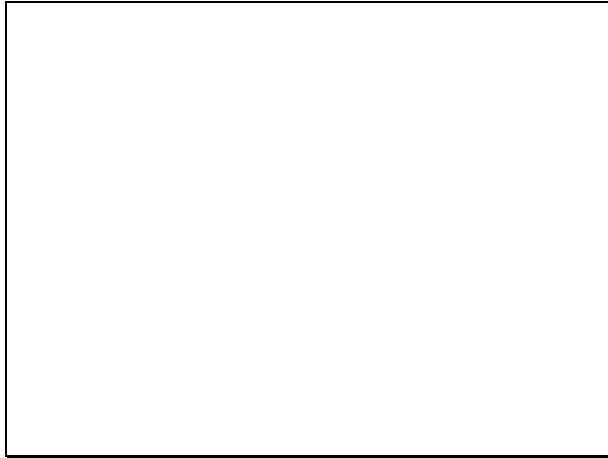
Marketing Resources for and Identification of Upper Peninsula and Northern Michigan Companies Engaged or Interested in Exporting



East Michigan District Export Council (MDEC)

- Michigan businesspersons helping Michigan business to export.
- An organization of leaders from the local business community whose knowledge of international business provides a source of professional advice for local firms
- Combines the energies of 30 volunteers to supply specialized expertise to small and medium-sized businesses in their local community who are interested in exporting

Exporting Resources for and Identification of Upper Peninsula and Northern Michigan Firms Engaged or Interested in Exporting

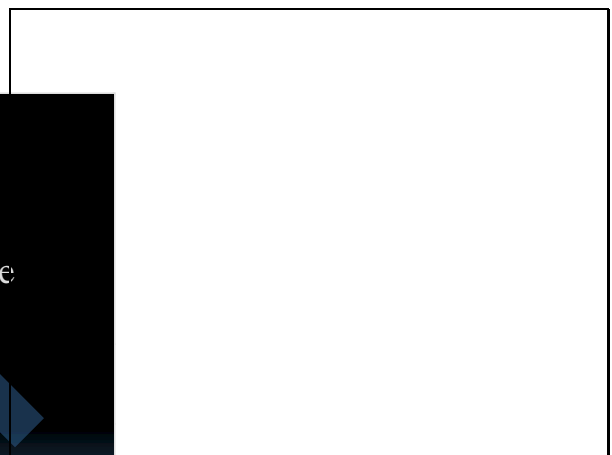
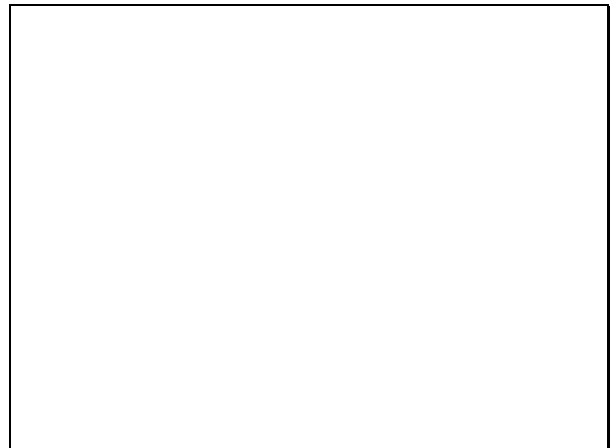
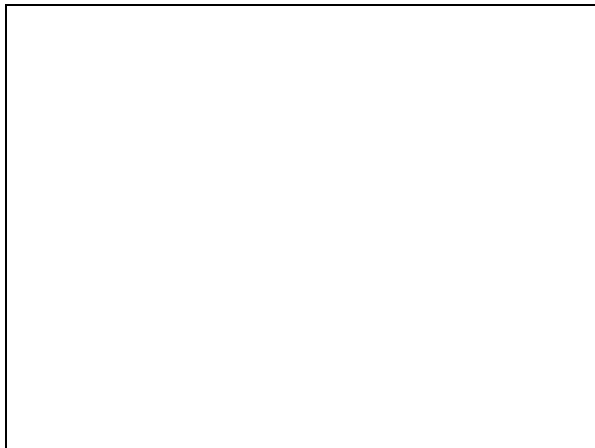
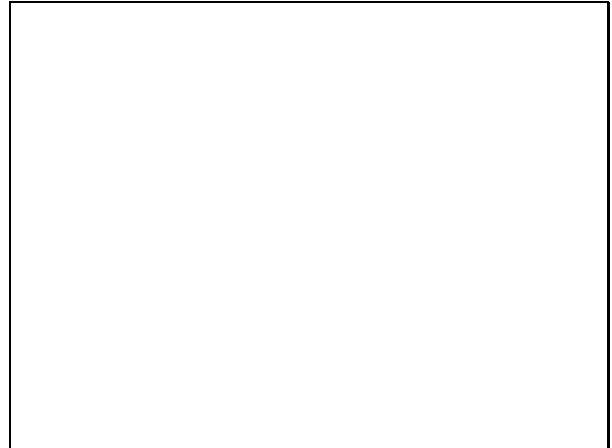
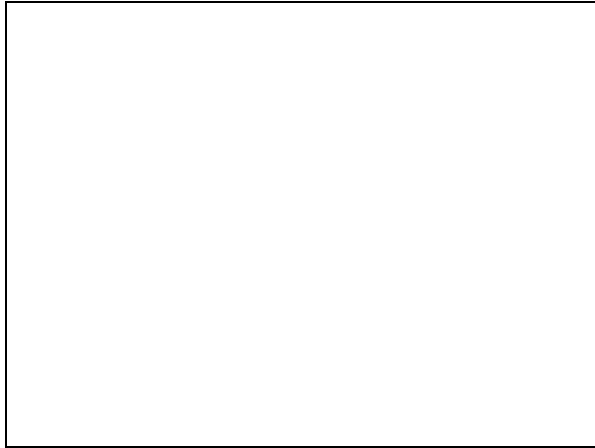


Richard Corson
Director

Pontiac U.S. Export Assistance Center
248.975.9604
richard.corson@trade.gov

Exporting Resources for and Identification of
Upper Peninsula and Northern Michigan
Companies Engaged or Interested in Exporting

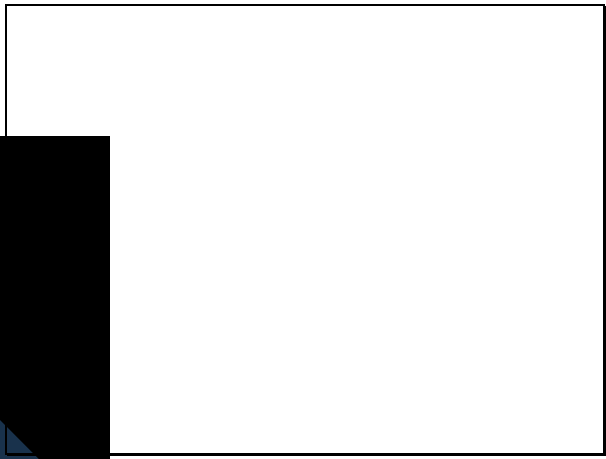
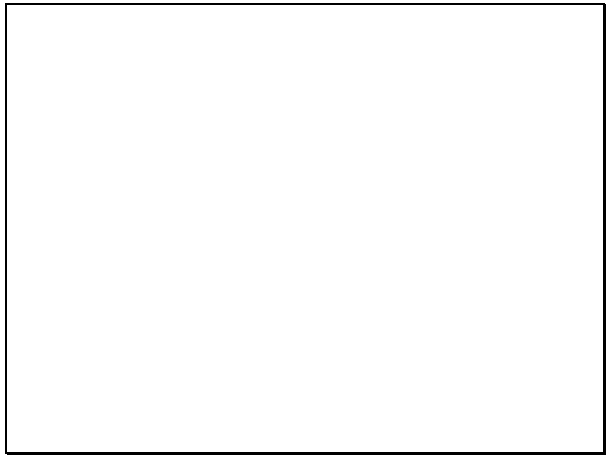
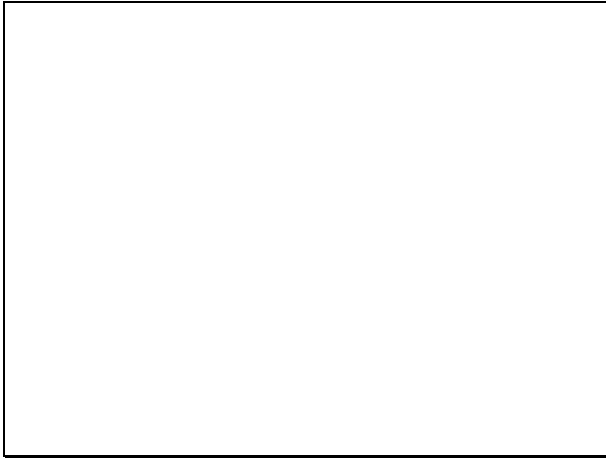
D. U.S. Small Business Administration Presentation



Eximbank Who We Are — What We Do

- Ex-Im Bank is an independent agency of the United States
 - Established in 1934
 - Headquartered in Washington, DC
 - 7 sales offices
 - Approximately 385 employees
- Mission: Support U.S. exports in order to create and sustain U.S. jobs

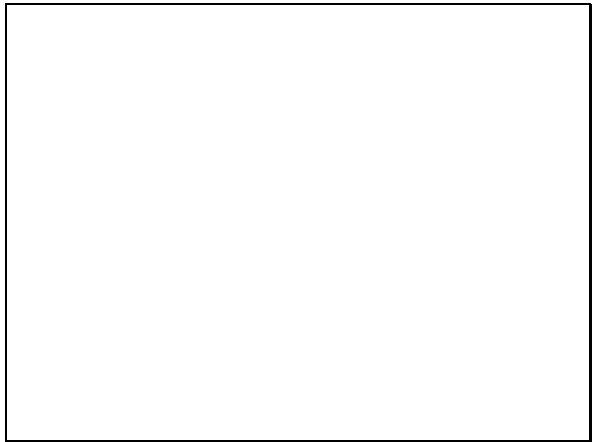
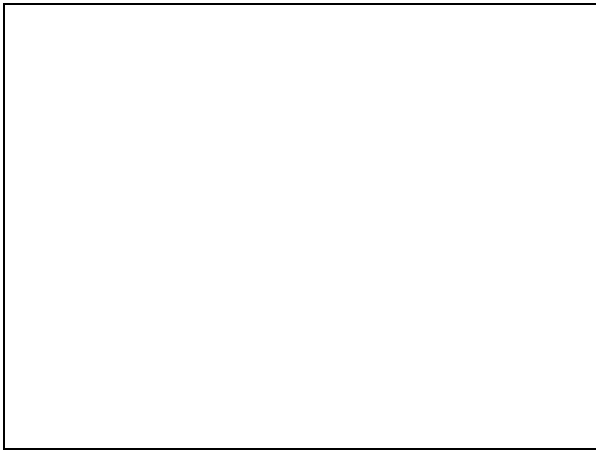
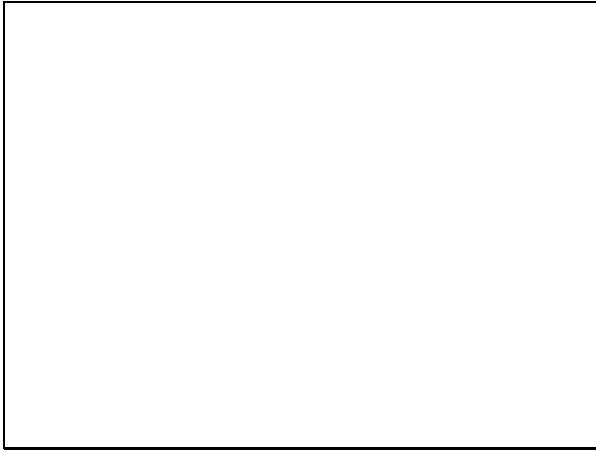
...ting Resources for and Identification of
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Eligibility

- Company meets SBA size standards
- Product is titled and shipped from U.S
- In business 12 months or proven expertise
- Must be U.S. Citizen or Legal Permanent Resident

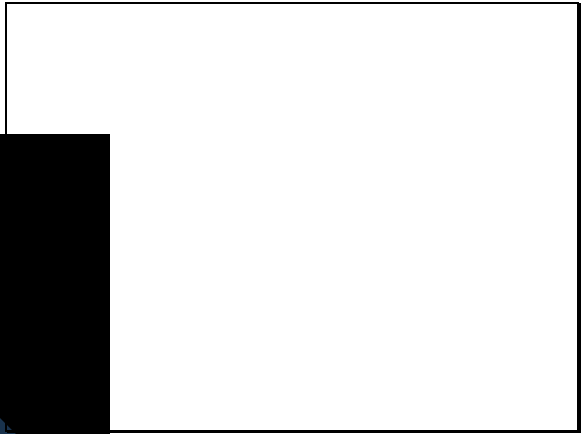
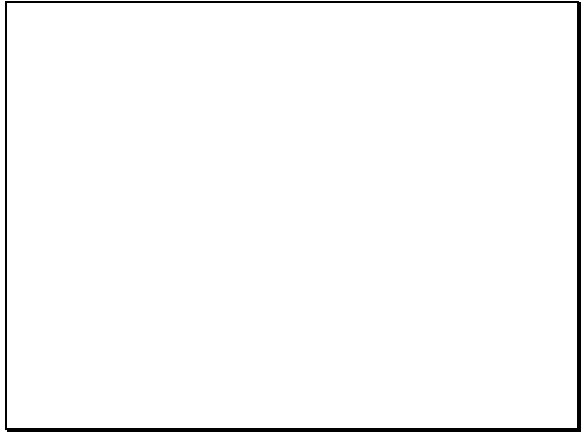
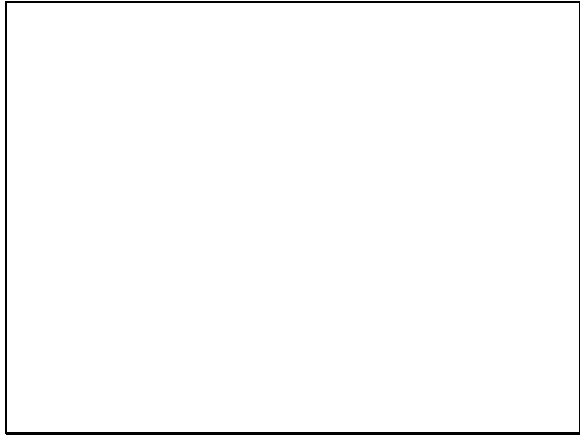
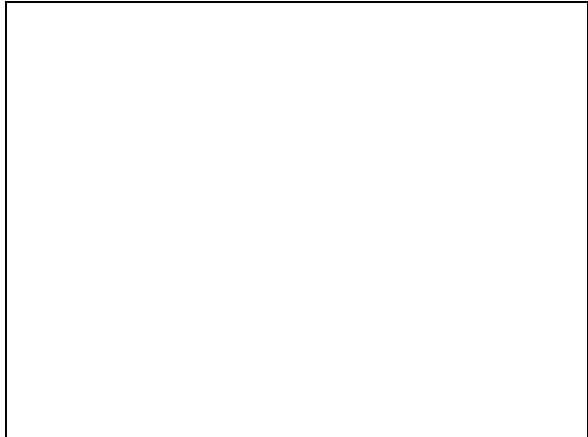
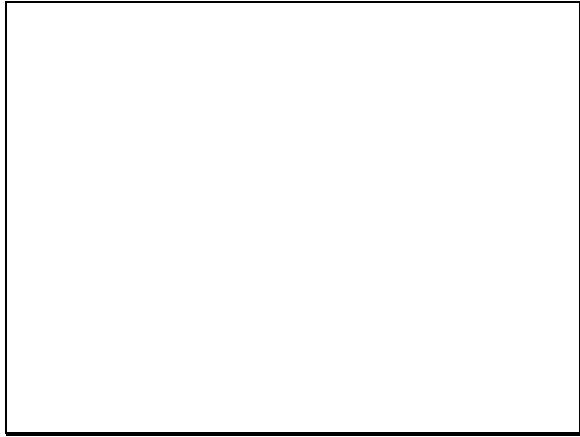
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Logistics & Export Documentation



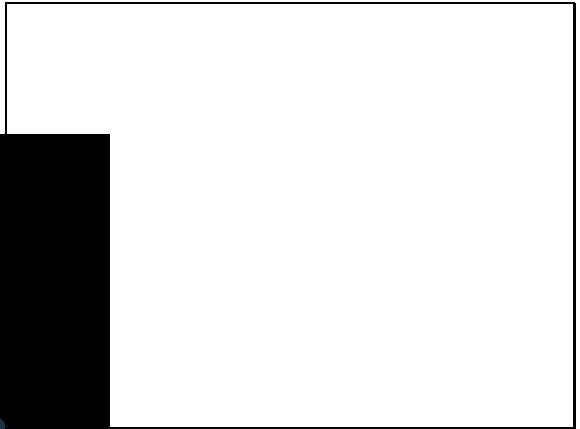
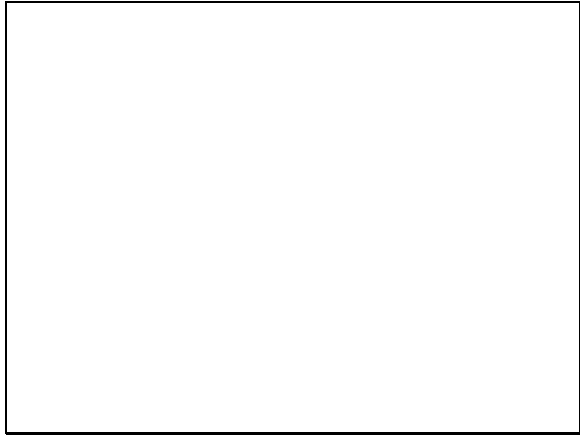
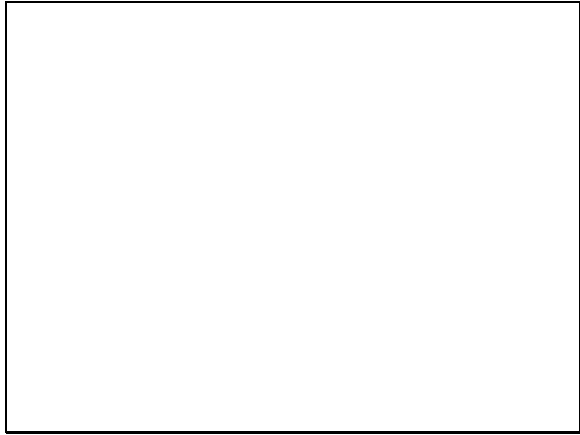
Supporting Resources for and Identification of
Upper Peninsula and Northern Michigan
Companies Engaged or Interested in Exporting



Trade Finance Success

- **Firm:** Metal Plating, Inc.
- **Product:** Anodizing and phosphating lines
- **Situation:** 2 Contract(s) for \$3MM with Egypt. Down payment of 30% for both (\$900M) requiring Standby L/C's.
- **Solution:** An \$1MM EWCP to support issuance of Standby L/C's.

Exporting Resources for and Identification of Upper Peninsula and Northern Michigan Firms Engaged or Interested in Exporting



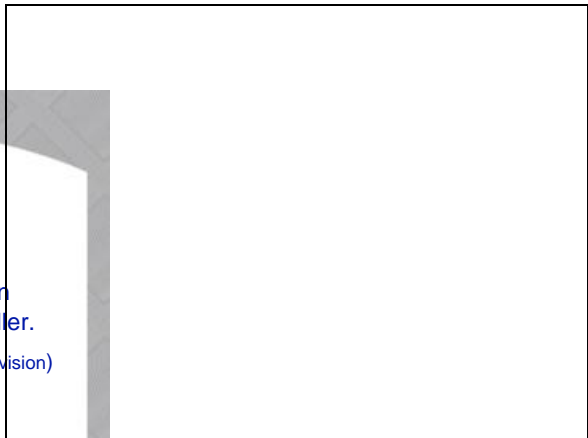
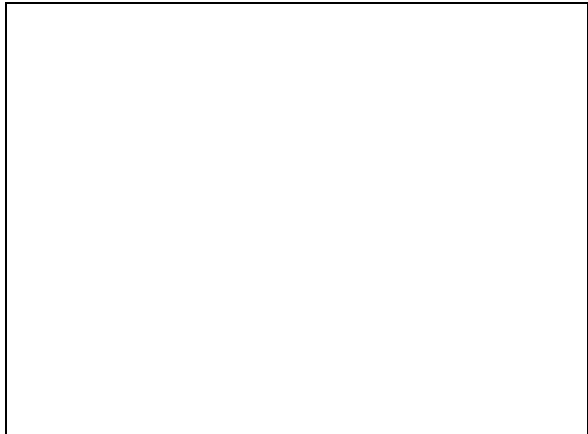
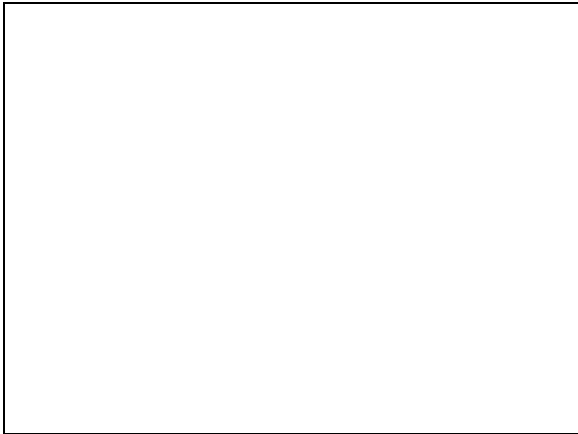
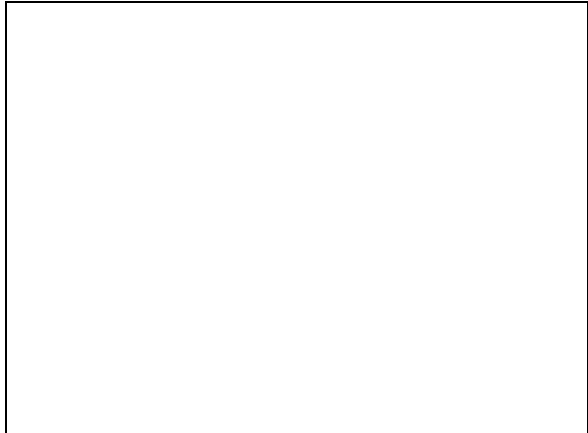
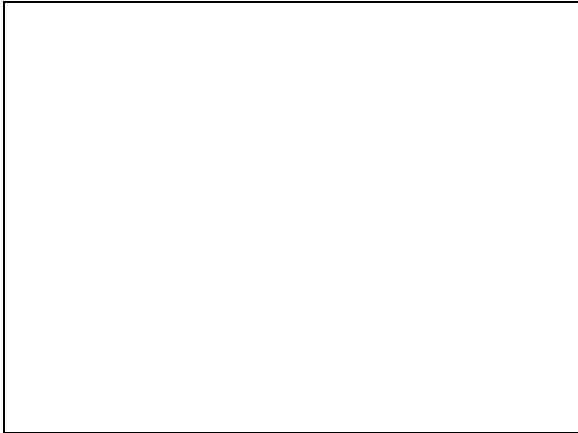
For More Information

Contact:

United States Export Assistance Center
John R. O'Gara
Regional Manager
Export Solutions Group
U.S. Small Business Administration
8109 E. Jefferson Ave., Suite 110
Detroit, MI 48214
313-226-3670
john.o'gara@mail.doc.gov

Exporting Resources for and Identification of
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E. Fifth-Third Bank Presentation



Letter of Credit: Terminology

The Letter of Credit (L/C) is a well-established financial instrument, used in international trade for many years, offering security to both buyer and seller.

Commercial L/Cs are governed by Int'l Chamber of Commerce rules ([UCP 600](#), latest revision)
Standby L/Cs are different, and will be discussed later.

“Import L/C”: The buyer is the importer.

The Issuing Bank issues the LC on behalf of the buyer (extending credit to buyer) and promises to pay on the presentation of documents/drafts, if they comply with L/C terms.

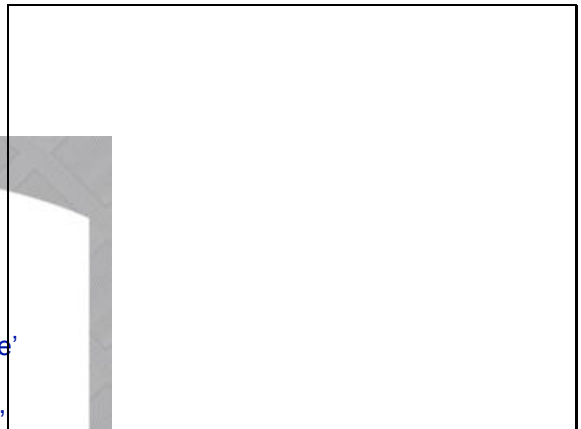
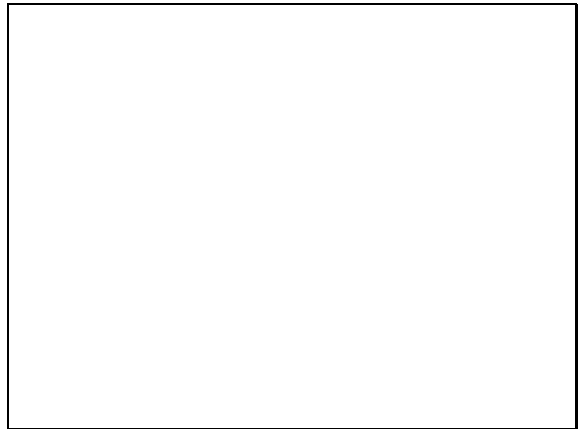
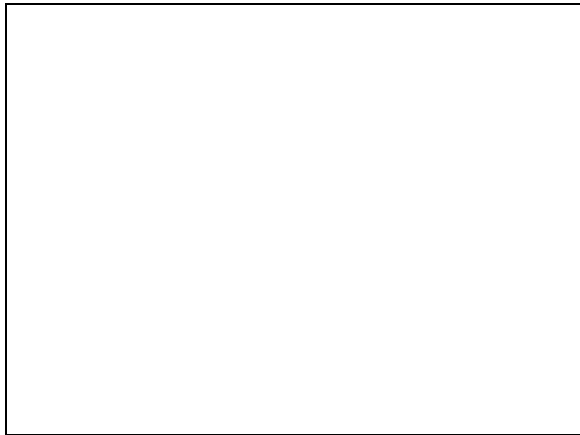
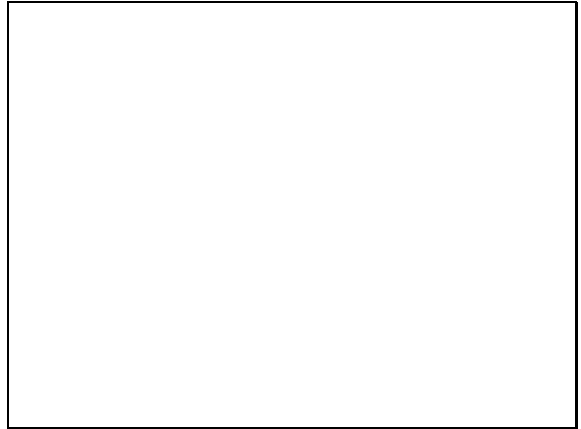
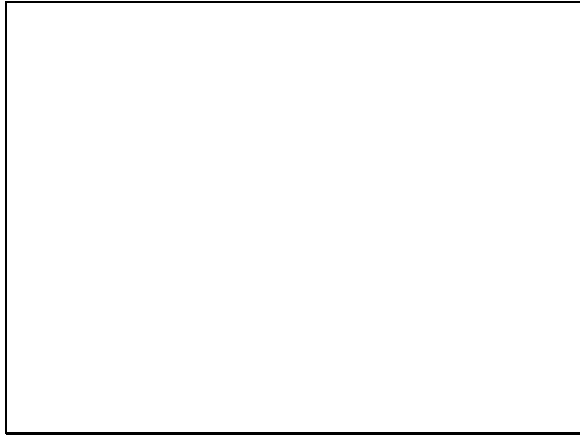
“Export L/C”: The seller is exporting and is named the **“Beneficiary”** of the L/C issued.

The **Advising Bank** represents the interests of the buyer, advises the L/C to the buyer, without any financial obligation.

The **Confirming Bank** is adding its “promise to pay” to that of the issuing bank, reducing the credit risk associated with the issuing bank.

[Commercial L/Cs are based on the presentation of documents](#)

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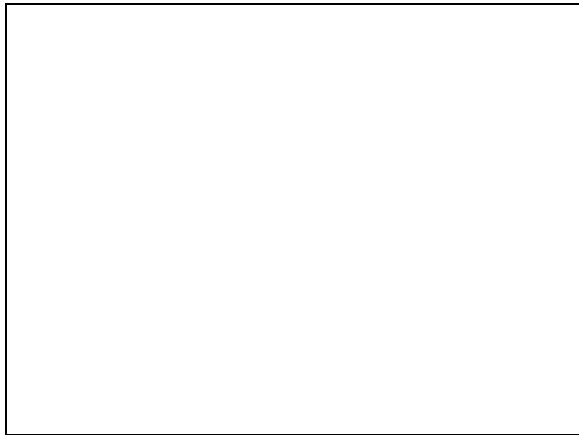
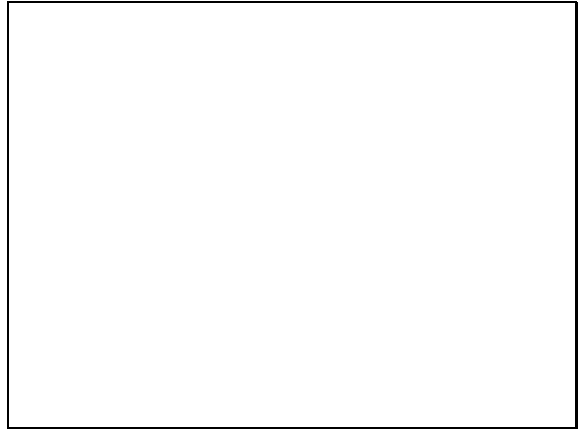
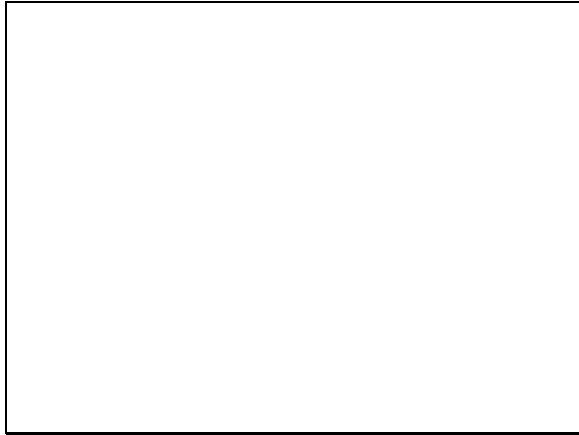


Standby Letter of Credit

As the name implies, the Credit is “Standing By”. It is a ‘guarantee’ of the Issuing Bank to pay the buyer (of goods or services), if there is a default (e.g., undelivered service, failure of warranty, non-payment). Like a “guaranty”, the issuing party does not expect to have it called (drawn upon).

Governed by different rules -ISP 98. [Foreign banks can issue “Bank Guarantees”, U.S. banks, by law, cannot; U.S banks must issue a Standby L/C.]

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Contact

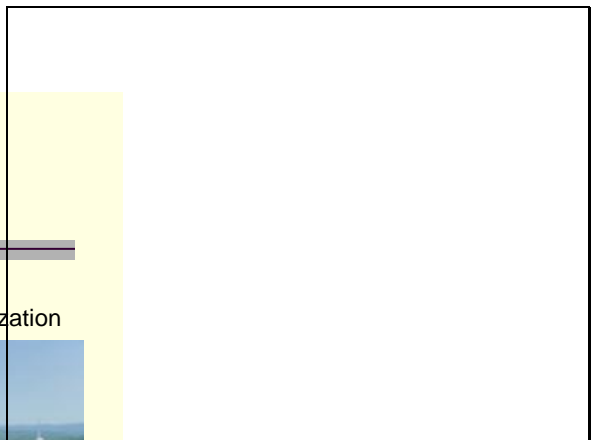
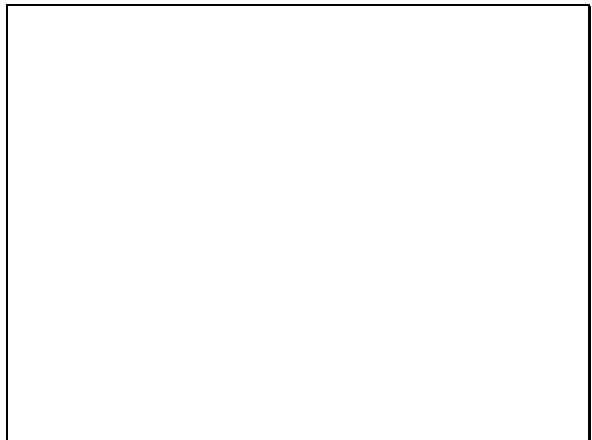
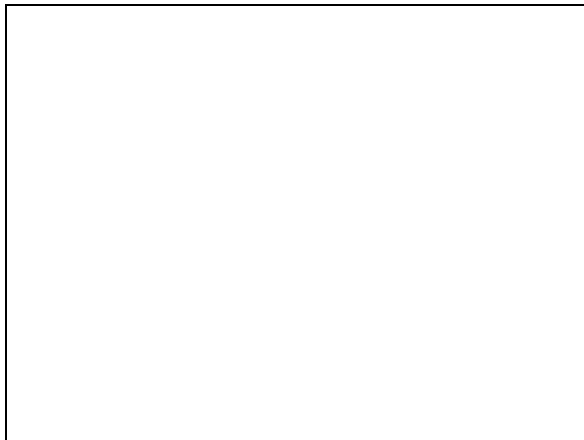
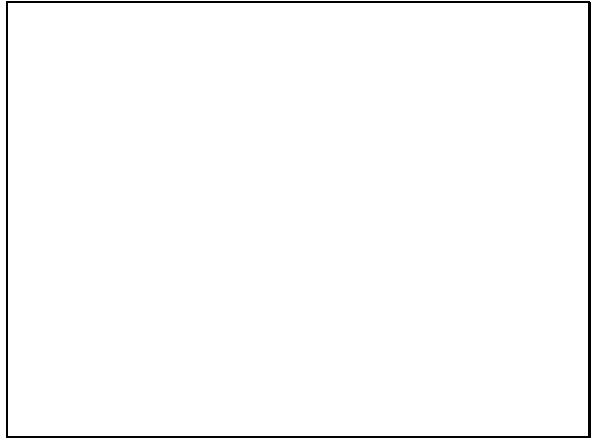
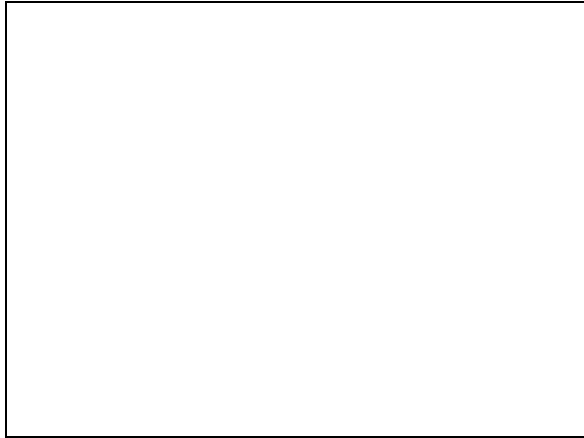
**Bruce Brogan
Vice President
International Trade Finance**

Offices in Southfield & Grand Rapids

**Phone: 248-603-0412
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F. Sault Ste. Marie, Ontario Economic Development Corporation Presentation



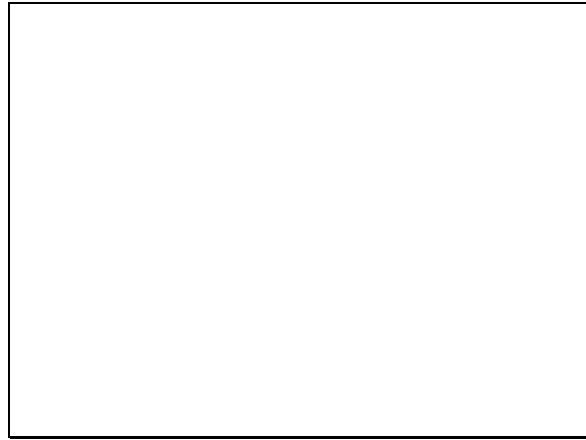
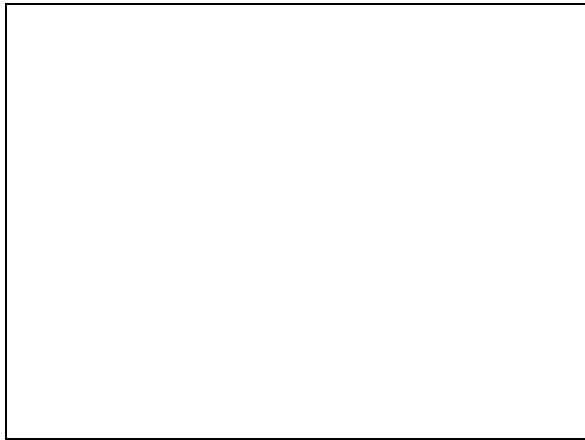
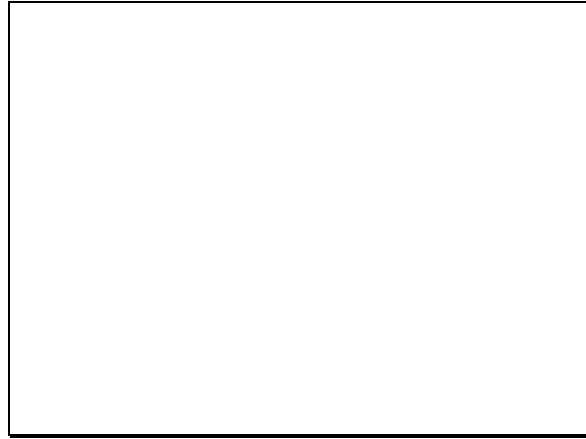
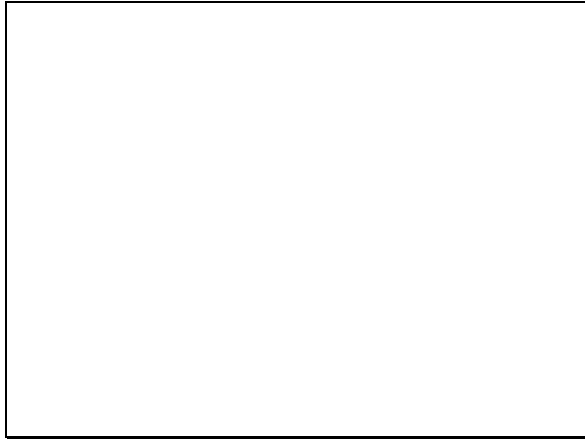
Sault Ste. Marie, Ontario

Industry Assets & Opportunities

- **Alternative Energy**
 - Wind, solar, hydro, cogen, waste-to-energy, bio, reverse polymerization
- **Value-Added Steel/Forestry**
 - Essar Steel Algoma, Tenaris, Flakeboard Co.
 - St. Marys Paper, Domtar, Boniferro Millworks
- **Manufacturing**
 - Advanced, aviation, fabrication
- **Science and Technology**
 - GIS, invasive species/Great Lakes research
- **Contact Centres/Back Office Support**
- **Education (Algoma University, Sault College)**



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Thank you!

Sault Ste. Marie Economic Development Corp.
Toll Free: 1-866-558-5144
www.sault-canada.com

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Marketing Resources for and Identification of
Upper Peninsula and Northern Michigan
Businesses Engaged or Interested in Exporting



For further information, contact:

Michigan State University
Center for Community and Economic Development
1615 E. Michigan Avenue
Lansing, MI 48912
Tel: 517-353-9555
Fax: 517-884-6489
knowledgeplanning.org

MICHIGAN STATE
UNIVERSITY

University Outreach
and Engagement
Center for Community and Economic Development

ADA Compliant June 13, 2018