



World Trade: It's For Nebraska

OVERVIEW: International trade is not a new phenomenon for the State of Nebraska. The economic well-being of Nebraska relies heavily on world markets for its products, such as crops and food products. Federal, state, and local government leaders all agree that we need to sell more of our products abroad in greater varieties and quantities.

ECONOMIC CONCEPTS: The students will learn about:

1. markets
2. international trade
3. role of government in international trade

OBJECTIVES: The students will be able to:

1. outline the importance of international trade
2. relate the concepts of comparative and absolute advantage to the Nebraska economy
3. describe the proper role for Nebraska in the global economy
4. accompany government leaders on trade missions to foreign countries
5. assess the proper role of both the state and federal government in promoting international trade.

NEBRASKA STANDARDS: 8.3.5, 8.3.6, 12.3.7, 12.3.11, 12.3.12, 12.3.13

MATERIALS:

1. Reverse Trade Mission Student Handout
2. Brazilian Student Handout
3. Japanese Trade Mission Student Handout
4. Governor's Cuban Trade Mission Student Handout

PROCEDURE:

1. Explain to the students that Nebraska now acts as an independent economic entity in the world marketplace by buying and selling goods and services from all over the world. Review the reasons why people, states, and nations trade in order to obtain the goods and services that they need and want. Certain states, regions and nations have a trading advantage. Nebraska is best at growing corn and wheat (land, climate), China at textiles (low labor costs), and Japan produces DVD players (technology advantage). Regions and nations will specialize in what they can produce most efficiently given their resources.
2. Review the concepts of absolute and comparative advantage. Students should realize that absolute advantage occurs when one nation can produce a product more efficiently than another country. Comparative advantage occurs when one country can make two or more products more efficiently than another country. Nebraska has a comparative advantage in producing wheat because of its climate and location, while Japan is better suited to specialize in the production of DVD players because of lower costs for technology.
3. Use whole class instruction or divide the class so that each group reviews the articles on the Governor's recent trade missions. Ask students their opinion on whether or not they think government officials should be making these visits. Why is it important for the Governor to "market" Nebraska to other countries in the world? Is there anything special about the countries that the Governor visits? Have students answer these questions in their groups. Students could also do research at www.nebraska.gov and/or www.governor.nebraska.gov/news/index.html to see what the most recent trade activity is for Nebraska.
4. To summarize, bring all students together to share their opinions on trading with Nebraska. Ask students for their own personal reactions as to what role Nebraska should act as a separate economic entity that competes against the other 49 states for export dollars. What role should the federal government play in helping states do business overseas? The Governor is visiting countries in which the U.S. is a primary trading partner.
5. Extension: Students could also interview local government leaders and include their opinions on the role of Nebraska in the world markets.



Reverse Trade Mission



www.WorldtoNebraska.com

NEBRASKA

possibilities...endless™

Department of Economic Development

For information on the Nebraska Reverse Trade Mission, contact:

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Nebraska Diplomats, Inc.

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Nebraska's First Reverse Trade Mission...

is an event where companies interested in business with Nebraska will have the chance to see Nebraska's many opportunities. The Reverse Trade Mission will help business leaders find:

- Investment opportunities into the U.S. — a chance to see the advantages Nebraska offers: an ideal location, low operating costs, a quality workforce, a positive economic environment, and venture capital opportunities.
- Business match making efforts — introductions to potential customers, sourcing companies, or joint venture partners.
- Agriculture opportunities — the opportunity to see first-hand the quality and safety of Nebraska's agriculture products, as well as the Nebraska Food Processing Center's services such as business consulting, market research, product development, and pilot plant services.
- Emerging technologies — we will present technologies available for license.

As our guest, all your lodging, transportation, and program events after you arrive in Nebraska, including the Nebraska football game, are complimentary.



September 10

- ✓ One-on-One Business Match Making
- ✓ Governor Heineman's Reception

September 11

Specialized Tours:

- ✓ Alternative Energy
- ✓ Distribution and Logistics
- ✓ Medical/Research
- ✓ Agriculture
- ✓ Finance/Insurance
- ✓ Information Technology

The Passport to Nebraska Weekend

September 12 & 13, Cornhusker Hotel, Lincoln

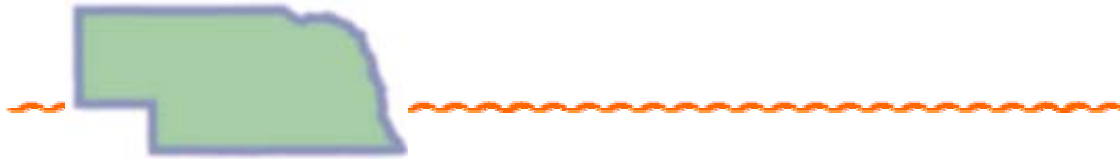
Passport Weekend is the signature event of the Nebraska Diplomats. Business prospects from around the nation and world are treated to our unparalleled Midwestern hospitality. Friday's events include breakfast with the Governor, State Chamber of Commerce Executives' lunch, and CEO Roundtable followed by a cocktail reception and awards banquet. Saturday concludes the event with a tailgate party at the Governor's residence and a Husker football game.



About the Nebraska Diplomats:

For more than 40 years the Nebraska Diplomats have been the largest economic development organization in the State of Nebraska. It is comprised of business leaders from across the state with one unified mission—growth of the Nebraska economy. This mission is completed through support of the Nebraska Department of Economic Development's efforts to assist with expansion of existing business, attraction of new business to the State, and improvement in Nebraska's business climate and competitiveness.





a publication of the Nebraska Department of Economic Development

BRAZIL DEVELOPMENT NEWS

NEBRASKA PREPARES PROFESSIONAL SERVICES ASSISTANCE FOR BRASIL!

Investing in a foreign country can be a (hugely successful) highly profitable endeavor. It can also be very (stressful and) risky. Uncertainty over legal, accounting and marketing issues, however, can severely challenge a company's ability to succeed in another country. So how do you realize your potential for success? Utilizing on-the-ground professional services—in the market you will be developing—is fundamental.

To help Brazilian companies grow and profit in the United States market, the state of Nebraska recently established the Brazil-Nebraska Business Transition Team. The Team is comprised of a full complement of US-based professional service providers representing international banking, accounting, legal and immigration, engineering and architectural, warehousing and distribution logistics services. In addition, Brazilian nationals and dual citizens are team members that meet and assist Brazil companies seeking start-up/expansion operations in the state. In addition to business planning, the team will assist the social and cultural transition of new Brazilian business owners/managers and family members.

Some of the most important questions asked by Brazilian enterprises pursuing US market growth are:

Immigration and Legal Assistance

- How do I incorporate in the US and what are the advantages?
- What documentation is needed to establish my business in the US?
- What kind of visa is needed?
- How about my family?
- How do I protect my patents and intellectual property?

Accounting and Growth Planning

- How do I report my personal and business tax in the US?
- How do I utilize accounting to measure profitability and project growth?
- How can I plan for repatriation or reinvestment of profits?

Finance and International Banking

- How do I establish a line of credit?
- How do I secure a business loan?
- How do I qualify for a business and personal credit card?

Architecture and Engineering Assistance

- Who can help me identify and address local building and environmental codes?
- Who can help me plan and manage my infrastructure and building specifications needs?

Market Development

- How do I understand and become accepted in a US regional market?
- How can I find a partnership or Alliance in the US market?
- What is my target market and how do I determine pricing strategies?

Personal and Cultural Transition Assistance

- How do I find safe, quality and affordable housing?
- Where is the best public school for my children and where do I enroll for an ESL class?
- How do I meet other Brazilians and participate in their holiday celebrations?

Note: Future Brazil-Nebraska newsletters will feature individual topics identified above! For information that can help your company grow export sales, contact: Terry McAuliffe, Nebraska Department of Economic Development at 402.471.3741 Terry.McAuliffe@ded.ne.gov.





Japanese Trade Mission

Lt. Gov. Sheehy, Nebraska Delegation Celebrates Opening of Nebraska Center

Dec. 1, 2006 (Tokyo) Lt. Gov. Rick Sheehy joined a 28-member Nebraska delegation in celebrating the grand opening of the state's first foreign trade office abroad during a reception Friday night in Japan. More than 200 leaders from Japanese business, industry and governmental bodies attended the Nebraska reception at the Imperial Hotel in Tokyo.

The reception concluded a five-day trade mission to the island nation that is home to world's second-largest economy.

Japan is Nebraska's top overseas trading partner. The Nebraska delegation returns to Omaha shortly after noon on Saturday.

Lt. Gov. Sheehy said, "Today's opening of the Nebraska Center was very positive. We received a lot of positive feedback from people involved in Japanese business, industry, and government. The presence of the Nebraska Center shows our true commitment to our businesses and investors from Japan and to growing our businesses in Nebraska. I believe we have had a very successful and productive trade mission, one that will help solidify current relationships and help us build new ties."

Over the course of the week, the Nebraska economic development delegation visited with more than 20 Japanese companies.

Agricultural delegates also visited with four Japanese grocers who stock U.S. and Nebraska beef, four restaurateurs interested in providing their customers with Nebraska beef, two Nebraska exporters with Japanese outposts, and two import firms that deal in Nebraska agricultural products.

Richard Baier, director of the Nebraska Department of Economic Development (DED), worked with his counterpart at the Nebraska Department of Agriculture, Greg Ibach, to secure a memorandum of understanding with a Japanese company involved in producing specialized cooking oils. The Japanese company, which has requested anonymity, expressed its preference to locate its first American manufacturing plant in Nebraska. The company already has plants in Korea and China and is looking to expand.

Baier said, "The most important result of this trip has been our ability to reach out and make contact with the partners and service providers of current Nebraska companies, whether owned by Japanese businesses or owned by Nebraskans. We've also had an opportunity to meet with several prospective companies and site selection firms."

The agricultural part of the delegation focused on assessing Japanese opportunities for Nebraska farmers and ranchers in what was, until the recent implementation of beef restrictions, Nebraska's largest agricultural export market.

Ibach said, "This was a valuable trip. We have gained a better understanding of the current market conditions, consumer attitudes and the potential for future trade with Japan. We hear at home that Japanese consumers don't want U.S. beef, but we came over here, and it's exactly the opposite. There are some great opportunities."

The Nebraska delegation visited the Nebraska Center office Friday morning, Tokyo time. Office staffers, under the direction of former Itochu Corp. executive and Nebraska Center Director Koji Nagasaka, have been preparing for its public debut as a hub for business, educational and agricultural opportunities for Nebraskans in Japan. The center will be available as a public work and meeting space to business partners and Nebraskans visiting for economic development, agricultural or educational purposes.

One of the office's key sponsoring partners, the University of Nebraska and specifically the University of Nebraska Medical Center (UNMC), hopes to attract additional patients, staff, research and opportunities for technology transfers.

Nizar Mamdani, the executive director of the Office of International Healthcare Services for UNMC who participated in the trade mission, said, "This trip has been a valuable experience, and this office will offer the university a multitude of opportunities."

DED and UNMC have pledged up to \$20,000 each to support the Nebraska Center, which represents approximately half the funds needed. The remainder will come from other sponsors, including: the Greater Omaha Chamber of Commerce, the Lincoln Area Chamber of Commerce, the Elkhorn Valley Economic Development Council and the Nebraska Chamber of Commerce, the Nebraska Department of Agriculture, the Nebraska Diplomats, Election Systems and Software of Omaha, First National Bank of Omaha, Oxbow Pet Products of Murdoch, Bruckman Rubber of Hastings, Werner Enterprises of Omaha, and the Nebraska Corn Board, Kawasaki of Lincoln, the Nebraska Public Power District and the Omaha Public Power District.

"This is a tremendous day for the future of Nebraska agriculture and Nebraska's economy," Gov. Dave Heineman said from Lincoln. "This office is an important step in our global strategy to market Nebraska to the next generation of entrepreneurs."



Cuban Trade Mission

Nebraska Governor Dave Heineman:

GOVERNOR'S OFFICE PRESS RELEASE - AUGUST 16, 2005
Lincoln Journal Star Article - August 22, 2005

A 10-member delegation led by Gov. Dave Heineman secured current and future trade with Cuba today when Cuban officials signed a memorandum of understanding to purchase \$17 million in Nebraska agricultural products over the next 18 months. "I am very pleased for Nebraska Producers that we were able to provide this opportunity for outreach into a new and now unquestionable important market," Gov. Heineman said. This is a proud moment for Nebraska Agriculture."

Before the delegation returned to Nebraska, Alimport, the Cuban import authority, expressed in the memorandum its hopes to purchase 25,000 metric tons of Nebraska corn, 25,000 metric tons of Nebraska wheat, and 15,000 metric tons of Nebraska soybeans or soy meal valued at more than \$30 million. Nebraskans and Cubans signed contracts that will result in the return of Nebraska-grown Great Northern Beans to Cuba as part of the first private sales agreements to be brokered under the new memorandum. Nebraska companies sold 5,000 metric tons of beans to Cuba. Alimport also expressed an interest in importing medical supplies from Nebraska.

KOLN-KGIN Report - November 4, 2007

Governor Heineman and seventeen other agricultural representatives are on their way to Cuba for another trade mission. Since 2005, Cuba has purchased \$60 million of dry beans, corn, wheat, turkey, pork, beef, and more.

"Other parts of the country have had difficulty in that relationship," with Cuba, Governor Heineman says, "but we've been able to develop a positive relationship because of the products we sell, and because of the Ag leaders who've gone with me and the relationships we've developed. And we want to continue that, particularly in the future when things change in Cuba.

Sources:

http://www.governor.nebraska.gov/archive/news/2005_08/16_cuba_trade_secure.html

<http://www.globalexchange.org/countries/americas/cuba/3406.html>

<http://www.kolnkgin.com/news/headlines/11009226.html>