

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: May 21, 2019 **Approx. Start Time:** 11:00am **Approx. Length:** 30

min **Presentation Title:** Clackamas County Global Trade Strategy

Department: Business and Community Services Department (BCS)

Presenters: Laura Zentner, CPA, BCS Director
Jon Legarza, BCS Interim Economic Development Manager
Cindy Moore, BCS Economic Development Coordinator

Other Invitees:

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Approval of the Clackamas County Global Trade Strategy and approval of the proposed work plan for the fiscal year 2019/2020.

EXECUTIVE SUMMARY:

Clackamas County recognizes global trade as an important economic driver that serves the well-being of the business community and county residents. Companies that export grow faster, are innovative, and create more and better paying jobs.

In November 2016, Clackamas County signed a Sister County Agreement with Guanyun County, Jiangsu Province, China. The agreement supports communication and cooperation between the two parties in areas of collaboration in trade, culture, education, science and technology. Since the agreement was signed in 2016, the County has hosted several delegation visits from China and has also participated in outbound delegation trips to China.

In an effort to proactively organize the activities and staff resources allocated to the Sister County Agreement and to broaden the scope of the BCS Economic Development Division's global trade activities beyond a single country, BCS contracted with Goddin Consulting to prepare and deliver a Global Trade Strategy for Clackamas County. While the scope of the report included numerous activities and recommendations, BCS Economic Development has crafted a more focused strategy based on currently available funding.

The proposed Clackamas County Global Trade Strategy includes targeted objectives intended to create jobs, increase revenues for Clackamas enterprises, improve the County's international competitiveness by expanding the export of Clackamas goods and services, increasing foreign direct investment into the traded sector local economy, and to create strong international relationships with leaders and businesses. Staff has identified specific action items to be incorporated into the BCS Economic Development Division's work plan for fiscal year 2019/2020.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$75,000 What is the funding source? Lottery Opportunity Funds

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?
 - The Global Trade Strategy project supports the Economic Opportunity Program’s purpose of providing funding to County departments, other government partners, and economic development focused entities so they can enhance high wage job and GDP growth in the County.

- How does this item align with the County’s Performance Clackamas goals?
 - The Global Trade Strategy project directly supports the Board’s strategic priority of *Growing a vibrant economy*.

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

In November 2016, Clackamas County signed a Sister County Agreement with Guanyun County, Jiangsu Province, China.

OPTIONS:

1. Approve the Global Trade Strategy and the proposed work plan for fiscal year 2019/2020.
2. Approve the Global Trade Strategy and modify the proposed work plan for fiscal year 2019/2020.
3. Do not approve the Global Trade Strategy and work plan for fiscal year 2019/2020.

RECOMMENDATION:

Staff respectfully requests that the Board of County Commissioners approve the Clackamas County Global Trade Strategy and proposed work plan for fiscal year 2019/2020.

ATTACHMENTS:

- Clackamas County Global Trade Strategy prepared by Goddin Consulting, LLC
- Global Trade Strategy PowerPoint presentation, including proposed work plan for fiscal year 2019/2020.

SUBMITTED BY:

Division Director/Head Approval _____
 Department Director/Head Approval Law Zentow
 County Administrator Approval _____

For information on this issue or copies of attachments,
 please contact Cindy Moore @ 503-742-4328.



CLACKAMAS COUNTY INTERNATIONAL TRADE STRATEGY

Prepared by
Goddin Consulting, LLC
January 2019

Executive Summary

Clackamas County recognizes international trade as an important economic driver that serves the well-being of the business community, its county citizens, and the government. Through trade, companies that export grow faster, are innovative, and create more and better paying jobs. Inbound foreign investment in business ventures further serves to help Clackamas County's economy growth.

Supporting opportunities for expanded exports and attracting foreign direct investment for Clackamas manufacturers, businesses, agricultural enterprises, commodity producers and service providers is a priority of the Clackamas County Business and Economic Development Department (CCBED). To support this effort, it commissioned this analysis to recommend an international trade strategy to lay out a proposed framework and tactical plan to help deliver on core economic policy objectives: revenue growth for Clackamas enterprises, job creation and to improve the overall international competitiveness of the county's traded-sector business.

Recommended outcomes of the international trade strategy:

- *A comprehensive, collaborative/ and cohesive international trade program/ framework with a clear vision to expand trade and inbound international investment.*
- *A well-informed Clackamas County leadership and staff who can deliver cogent messages about the value of international trade and the County's commitment to supporting its firms in global markets.*
- *A business directed international trade advisory group to guide and inform the Department as it implements its international trade strategy.*
- *A proactive business outreach effort that supports Clackamas County companies' access to information and know-how thereby expanding their export readiness and success as exporters.*
- *An international trade program that increases capacity-building opportunities for businesses, the community, and local officials (e.g., market briefings, cultural trainings, workshops, trade outreach seminars and conferences).*
- *An expanded international trade budget that includes professional trade staff and resource tools (travel, trade data, training, etc.) to carry out international trade work long-term.*
- *A user-friendly, comprehensive, interactive website to augment capability to assist Clackamas companies wanting to export and to promote foreign investment interest in the County.*

THE TRADE IMPERATIVE

Economic growth and prosperity is an overarching policy objective that should guide Clackamas County's international trade strategy. The priorities should be to create jobs, to increase revenue for Clackamas enterprises, to improve the County's international competitiveness by expanding the export of Clackamas goods and to attract and increase foreign direct investment into the local traded sector economy.

Clackamas businesses, both large and small, face the challenge of competing in the dynamic global economy. Given the magnitude of the number of small and medium enterprises engaged in trade, it is important that Clackamas County, along with its economic partners, help these companies by raising awareness in targeted international markets about its competitive offerings. It is also critical to Clackamas' economic success - both urban and rural communities - that both traditional and "new" industries are able to take advantage of opportunities to innovate and expand into the global marketplace.

Oregon Trade Economy

What Oregon excels at selling to the world is a useful proxy for understanding the economic strengths of Clackamas County's ability to compete successfully in global markets.

Oregon exported US\$21.9 billion in 2017. The state's major industries are reflected in our top industry exports. Clackamas County is home to many of these large and small exporters. Oregon's product mix from macro trade data includes US\$8.7 billion in computer and electronics, US\$3.8 billion in non-electrical machinery, US\$2.2 billion in chemicals, US\$1.9 billion in agricultural products, and US\$1.2 billion in transportation equipment shipped worldwide.



The five top markets for Oregon's exports in 2017 were China (US\$3.9 billion), Canada (US\$2.3 billion), Malaysia (US\$2.3 billion), Korea (US\$2.0 billion), and Japan (US\$1.8 billion).

Oregon imported over US\$18.3 billion from 4 out of 5 of these same top markets, with Ireland, not Malaysia, being a major supplier to Oregon. Canada sold US\$2.7 billion; China US \$2.6 billion; Ireland US\$2.5 billion; Japan US\$2.1 billion; and South Korea US\$1.8 billion respectively to Oregon last year.

Job estimates indicate that approximately 87,023 US jobs were supported by goods exports from Oregon in 2015 (latest available). Manufactured goods accounted for about 95 percent of these jobs although not all of these jobs were located in Oregon (International Trade Administration data).

In 2017, over 100 foreign companies operated businesses in Oregon, employing more than 61,700 Oregonians¹. Employment numbers for these top investors include: United Kingdom (16,700); Germany (8,400); Japan (6,800); Canada (5,800); and Switzerland (5,500) employees. The top five major investors in Oregon are Japan, Germany, United Kingdom, Canada, and Australia.

Clackamas' Trade Economy

Clackamas County is home to numerous businesses that have proven experience in global trading according to an industry supply chain analysis conducted by Atlantric². These businesses compare, on average, favorably to firms in other mid-to-large-sized US metropolitan areas. A higher than expected level of the County's companies are focused on exporting and a sizeable proportion of companies self-identified themselves as dominating their overseas markets or at least being well-established. Given the region's knowledge-based and natural resource assets, there is strong potential to further grow its export performance.

Priority Export-Oriented Industry Clusters

An examination of Clackamas County's eleven industry clusters informed the basis for evaluating export strength and trade prospect opportunities. For the purposes of prioritizing key industry trade prospects³, 7 out of the 11 clusters were chosen due to their export potential. These included: Agriculture and Food Production; Nurseries and Greenhouses; Advanced Manufacturing - Metals and Machinery; Advanced Technology - High Tech; Wood Products Manufacturing; Food Processing Manufacturing; and Software and Media.

The table below provides a snapshot of the top target export markets for Clackamas companies in each of the respective industry clusters.

Industry Clusters	Top Target Markets				
Ag & Food Production	Japan	Canada	China	Australia	Vietnam
Nurseries/Greenhouses	Canada	Mexico	Peru	China	Spain
Metals & Machinery	China	Canada	Japan	South Korea	United Kingdom (UK)
High-Tech	Canada	Germany	UK	France	Netherlands
Wood Products	Japan	Canada	Guatemala	China	Brazil
Food Processing Mfg.	Canada	China	Germany	Philippines	Mexico
Software, Media,	UK	China	Germany	Italy	Turkey

¹ Select USA Fact Sheet, US Bureau of Economic Analysis, July 2017

² Atlantric Study, Industry Supply Chain Analysis, 2013

³ Several data sources used in this cluster analysis: FCS Group, US Census, International Trade Administration Trade Stats Express and Atlantric Study, Industrial Supply Chain Analysis.

For details on each of the clusters, see Appendix A to learn about its economic footprint in Clackamas County. Information is provided regarding the number of companies/sectors, employment size, annual gross domestic product figures and an expanded list of foreign markets for these products.

Oregon and Clackamas Major Trading Partners

Geographical proximity to Asia provides a particular advantage for Oregon and Clackamas companies wanting to do business internationally. The vast majority of Oregon exports are destined for countries along the Pacific Rim including each of Oregon's five largest foreign markets: China, Canada, Malaysia, South Korea, and Japan. Other important export markets include Vietnam, Germany, and the United Kingdom.

The following tables show Oregon's Top 10 Export and Import Markets in 2017.

Top Export Countries

1. China	\$3.9 billion	(18%)* *
2. Canada	\$2.3 billion	(11%)
3. Malaysia	\$2.3 billion	(10%)
4. South Korea	\$2 billion	(9%)
5. Japan	\$1.8 billion	(8%)
6. Vietnam	\$1.6 billion	(7%)
7. Taiwan	\$862 million	(4%)
8. Germany	\$498 million	(2%)
9. Singapore	\$465 million	(2%)
10. United Kingdom	\$451 million	(2%)

*** Percent of States total exports*

Top Import Countries

1. Canada	\$2.8 billion
2. China	\$2.6 billion
3. Ireland	\$2.5 billion
4. Japan	\$2.1 billion
5. Korea, South	\$1.9 billion
6. Israel	\$908 million
7. Mexico	\$875 million
8. Netherlands	\$751 million
9. Taiwan	\$539 million
10. Germany	\$486 million

Oregon international trading partners purchase almost three-quarters (74%) worth of the total value of products shipped domestically and internationally shipped from the state. The top trade partners in Asia account for almost three-fifths (59%) of this volume. (<http://www.worldstopexports.com/oregons-top-10-exports/oregons-top-10-exports/>).

In Appendix B, eight country summaries have been prepared for the following markets: Canada, Japan, South Korea, Vietnam, United Kingdom, Germany, Australia and China. Each of the write-ups contain market entry information, historical trade with the US, and prospective commercial opportunities for exporters.

In the China narrative, six specific areas have been identified as market opportunities for Clackamas County firms. These areas include: E-commerce, Education, Tourism, Healthcare, Food and Wine, and Clean Technology. In addition, as a County request, some areas of cooperation are identified that could be further pursued under the Agreement between Clackamas County and Guanyun County signed in late November 2016. In principle, the agreement opens the door for both parties to share best practices in key areas of tourism promotion, environmental stewardship, ecommerce development, and agriculture trade.

Portland MSA and Clackamas County Share Regional Export Market

The Portland-Vancouver Metropolitan Statistical Area (MSA) ranked 17th nationally in urban area exports, with Clackamas County exporters contributing more than \$1.2 billion to the MSA's global exports in 2016. Clackamas' contribution principally came from the Adv. Mfg. Metals and Machinery cluster (331, 332,333), followed by Adv. Mfg. High Tech (334,335), and the Food and Beverage Manufacturers cluster (311,312).

Washington and Clark Counties exports are concentrated in the Adv. Mfg, High-Tech (333,334) Semiconductor, Computers Equipment cluster and Multnomah County exports in the Mining (Potash), Chemical Mfg. (212, 325) and Adv. Mfg. Machinery (336) clusters.

Portland-Vancouver-Hillsboro, OR-WA 2016 Exports

Portland-Vancouver-Hillsboro, OR-WA Exports (\$ USD)

County	2013 (Full Year)	2014 (Full Year)	2015 (Full Year)	2016 (Full Year)
Washington County	7,419,328,552	9,032,328,800	9,921,440,394	10,344,860,717
Multnomah County	6,621,480,283	6,211,154,010	5,788,291,192	5,866,659,361
Clark County	1,934,308,401	1,706,370,402	1,571,538,112	2,523,028,423
Clackamas County	1,210,618,409	1,300,904,700	1,275,829,703	1,230,666,746
Yamhill County	391,299,542	375,036,478	257,540,137	265,424,565
Columbia County	26,857,393	38,222,702	28,221,156	20,758,016
Skamania County	2,951,533	3,208,919	4,938,066	5,377,327

Source: Office of Trade and Economic Analysis (OTEA), Industry and Analysis, International Trade Administration, US Department of Commerce.

Clackamas County: Exporters, Importers, and Foreign Investors

As part of this trade study, a three prong analysis was undertaken to assess the size and scope of the international trade community in Clackamas County, with an eye toward identifying new export firms for targeted CCBED outreach. This effort included a review of the Clackamas County "gazelle"⁴ list, an in depth review of US Census data of 5-digit zip codes in 12 Clackamas cities and Piers Marine cargo data import and export container shipments.

Thirty "gazelle" firms were identified as individual exporters, with another 28 companies who are supply chain vendors to larger known exporters in Clackamas and the Greater Portland Metropolitan Statistical Area (MSA). There are another 25 firms who appear to have some international sales, but this could not be verified independently without contacting the companies.

Below is a representative sample list of top Clackamas County gazelle exporters. For an expanded list of the gazelle firms, see Appendix C.

⁴ The FCS Group, 2018 Report.

Gazelle Exporters – Fast Growing Traded Sector Firms (Sample List)

By far the largest number of gazelle firms are in the advanced manufacturing cluster: metals manufacturing and machinery sector (NAICs 331,332,333), followed by advanced technology: high technology (NAICs 334, 335, 5415) and then Ag & Food production (NAICs 1112, 1113, 1119, etc).

Business Name	Global Markets
A.I.C., INC.	US, Canada, Mexico, Colombia, UK
ANDERSON QUALITY SPRING	Global US, European Union, China, Australia
BENCHMADE KNIFE COMPANY INC	Asia, European Union
CONSOLIDATED METCO, INC	US, Global
CONVEYCO MFG CO	US, Canada, Europe, Chile, Brazil, New Zealand, Australia
DWFRITZ AUTOMATION INC	China, European Union
PCC STRUCTURALS, INC.	Global
SKUTT CERAMIC PRODUCTS	European Union
SSI SHREDDING SYSTEMS INC	Asia
TOP TIER LLC	European Union
ASTORIA-PACIFIC INC	Western Hemisphere
CISCO SYSTEMS INC	Global
ELECTRONIC CONTROLS DESIGN INC	European Union, China
FLIR SURVEILLANCE INC	Global
ROCKWELL COLLINS INC	Global
SHIMADZU USA MANUFACTURING INC	Japan
FOSTER FARMS LLC	Global
A B MAURI FOOD	Global
BOBS RED MILL NATURAL FOODS INC	Asia, European Union, South America, Australia
EVER FRESH FRUIT COMPANY	Global
NATURE BAKE	Canada

Exporter Establishments Identified by 5-Digit Zip Codes in Clackamas Cities

In an effort to estimate the relative number of exporters located in Clackamas County, a sample size of twelve communities were selected to determine how many exporters by NAIC⁵ codes could be identified by five-digit Zip Codes in the US Census Exporter Database. The analysis indicates that an estimated 670 entities reported exports within these twelve Zip Codes.

⁵ NAICS, is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the US business economy. NAICs identify businesses by their primary economic activity: Manufacturing Code: 31-33, ex. 321211 hardwood veneer and plywood manufacturing.

By example, firms classified under the NAICs code, 332, fabricated metal product manufacturing, totaled to 103 firms in these twelve Country Zip Codes. More than 50 percent of these firms were found in three Zip Codes of 97015, 97070, and 97222.

Clackamas County		Boring	Canby	Clackamas	Estacada	Lake Oswego	Molalla	Oregon City	Sandy	West Linn	Wilsonville	Portland	Portland	
2015 Census Data		97009	97013	97015	97023	97035	97038	97045	97055	97068	97070	97222	97267	TOTAL
Adv.Mfg: Metal & Machinery	NAICS													
	331	2	3	4	1	4	2	2	1	0	6	11	1	37
	332	4	8	22	2	7	1	9	3	4	21	19	3	103
	333	6	13	66	2	9	2	13	4	2	41	30	9	197

For more information on the results of this analysis, see Appendix D for the breakout details by NAICs and Zip Codes in other industrial classifications.

PIERS Marine Cargo – Clackamas County

Additionally, a review of PIERS⁶ Marine Cargo data shows that Clackamas County is home to a number of importers and exporters who rely on marine transportation to move their product. This analysis demonstrates a rich business community role in international trade comprised of both large and small exporting and importing businesses.

Based on 2017 PIERS data provided by the Port of Portland, nine Clackamas based exporters shipped through the Port and 120 importers brought product into the United States via ocean carrier. These nine exporters were responsible for 1564 containers of shipped product. The largest exporter, Pacific Seafood Group, exported to over 44 global markets, with major shipments headed to Asia and Africa. Vanport International (wood products), ranked second with export shipments to Japan. HFT International (floral nursery) ranked third with exports to Japan, Hong Kong, and Singapore, and Walsh Industries (glulam, structural-building materials) ranked fourth with shipments to Japan and Denmark.

Clackamas importers brought in more than 2335 containers of products in 2017. The top 5 importers were Warn Industries, Cornell Pumps, Grand & Benefits (store fixtures), Pacific Seafood, and Proactive Sports (golf related equipment). Imports from China, Korea, Japan, Malaysia and Vietnam were among the top suppliers, with other imports coming from India, Netherlands and Poland. A sample list of the Clackamas County exporters and importers can be found in Appendix E.

⁶ PIERS, the Port Import/Export Reporting Service, processes the transactional trade data contained in the bill of lading that are filed with US Customs. This data tracks waterborne trade data.

Clackamas County Foreign Investment Companies

The Portland MSA is well-positioned as a competitive, sustainable, and globally integrated economic region through its focus on economic growth, export and foreign direct investment. The Greater Portland region is home to more than a hundred foreign owned companies that employ more than 60,000 workers. Clackamas shares in this success with more than 40 foreign-owned companies in the County. The top FDI investors in these industries include: Metal and Manufacturing, High-Tech, and Agriculture and Food Processing. The top foreign investor countries are Japan, Germany, Canada, and the United Kingdom.

Below is a sample list of foreign-owned companies with operations in Clackamas County. A complete list of the 40 firms can be found in Appendix J.

Foreign-Owned Companies Established in Clackamas County, 2016 (Sample List)

Company	Location	Cluster/Product	FDI Country
Helifor Industries	Canby	Ad Mfg: Heavy Lift Helicopters	Canada
Mex Y Can Trading	Clackamas	Logistics: Distribution	Canada
Associated Chemists	Portland/Clackamas	M&M: Chemicals	Canada
Kone, Inc.	Milwaukie	M&M: Elevator & Moving Stairway	Finland
Gerber Legendary Blades	Clackamas	M&M: Consumer Knives, Multi-Tools	Finland
Hanson Pipe & Precast	Tualatin	M&M: Concrete Pipes	Germany
Osram Sylvania	Clackamas	M&M: Lighting Fixtures	Germany
Micro Systems Engineering	Lake Oswego	High-Tech: Medical Device	Germany
RHI AG Group	Clackamas	M&M: Refractories	Germany
BASF	Portland/Clackamas	High-Tech: Optical Sensors	Germany
Siemens Mobility	Lake Oswego	High-Tech: Transportation	Germany
IHI Group	Wilsonville	M&M: Industrial Coatings	Japan
Okada America	Clackamas	M&M: Construction Equip.	Japan
Nana America, Inc.	Clackamas	Wood Products: Lumber	Japan
Zeon Chemicals	Lake Oswego	M&M: Chemicals	Japan
Daito Electron Co., Ltd.	Wilsonville	High-Tech: Tech Service/Production	Japan
Shimadzu	Canby	High-Tech: Medical Equipment	Japan
Sandvik, Inc.	Oregon City	High-Tech: Medical Supplies	Sweden
The Portland Group, Inc.	Lake Oswego	High-Tech: Software computing	Switzerland
Te Connectivity	Wilsonville	High-Tech: Medical Technology	Switzerland
Meggitt	Milwaukie	M&M: Aerospace & Defense	United Kingdom
Bunzl	Clackamas	Wood Product: Paper Broker & Mill Rep	United Kingdom
Innovative Cereal Systems	Wilsonville	Ag & Food Processing: Baking Goods	United Kingdom
<i>Sources:</i> Bureau of Economic Analysis, Brookings Institute, and GPI, Inc.			

Growing Trade through an Integrated, Collaborative Approach

International trade is a catalyst for business retention, expansion, creation of new enterprises and a recipe for economic growth and prosperity. Through business outreach, meetings and research, it is possible to get to know who county businesses and communities are engaging with internationally and why.



As Clackamas County pursues its international trade strategy, it is recommended that a comprehensive approach be undertaken to leverage existing relationships and opportunities.

Being proactive in partnering with the business community, tourism promoters, international organizations, and higher education providers can lead to collaborative efforts to market the best of what Clackamas County, the Portland region, and Oregon has to offer to global markets and customers. Leveraging the

interactions between these influencers is critical to achieving long-term and sustainable success.

International trade opportunities, like domestic ones, are based on relationships of mutual interest. Relationships matter. Cultural awareness matters. Educating the community about international trade matters. Being intentional about setting the table for companies to engage successfully in trade matters.

Committed Leadership

Understanding the business needs of Clackamas firms engaged in international trade should be an important part of the county's international trade strategy. Clackamas County leadership and staff should be well-informed trade advocates who can deliver cogent messages about the value of international trade and the County's commitment to supporting its firms in global markets. A successful effort will require the County's commitment to provide the budget resources, including hiring professional trade staff able to execute the day-to-day activities of the international trade strategy.

Private Sector Engagement - International Trade Program

The voice of the private sector would be critical to implementing a successful trade strategy. Private-sector representation ensures better informed decision-making and contributes to better trade outcomes. As part of an international trade strategy, it would be important to have a trade advisory group comprised of business executives who can provide guidance and information regarding international trade interests and the particular needs of small and medium size businesses. The group's insights and feedback on the

department's trade plans would be invaluable and lend support to crafting annual trade programs and services.

An FY 2019/2020 event could provide an occasion for Clackamas to announce a newly named trade business advisory group, and a series of trade activities and trade partnerships to support the county's trade strategy. A collaborative theme that pairs Clackamas specialty food exporters and the tourism promotion of Clackamas destinations is one potential suggestion.

Maximize Collaboration and Partnerships

The ability to carry out Clackamas' international trade strategy long-term will require equipping Clackamas county executives and economic development staff with the knowledge, expertise, skills, and resources to support its international trade goals. An integrated, team approach favors collaboration with other County departments that share common economic development goals: Tourism & Cultural Affairs, Public & Government Affairs, and Agriculture and Forest Economic Development.

Partnerships with local international trade services providers, regional economic development practitioners, global business councils, and industry associations will strengthen and maximize Clackamas' reach on behalf of its businesses and leverage resources and expertise that these entities possess.

Make Staffing and Budget Investments

It is important that Business and Economic Development staff are adequately trained on global trade matters. They need to have access to current and detailed county level export data and international trade knowledge to better assist business clients they serve. For example, being able to talk with firms about their market entry strategy. Do they export directly by selling or delivering the product to the overseas client? Are they indirect exporters who sell into a global supply chain or market through intermediaries, such as trading houses, an agent, a representative or foreign distributors? While not needing to be experts, it is important that they understand the fundamentals of exporters needs and the problems they face.

Investing in trade education is an important way to provide training to businesses. Bringing in experts to offer workshops for clients is an easy way to start. A recent county program that featured Valerie Berset-Price, Professional Passport, to talk about China cultural and business strategy is an example of the kind of program that adds value to Clackamas County "internationalization" efforts.

Clackamas can cost effectively support its local exporters through investments in expanded web-based information, services, and outreach to businesses on a 24/7 basis.

Having a capability to counsel companies engaged in ecommerce on interpreting data analytics can also help to further determine the business needs of the clients in terms of foreign markets and customers.

International Trade Ecosystem: Global Exports and Foreign Direct Investment

Clackamas County has a small, dedicated business & economic development staff who conduct business outreach to companies in the County. These business retention and expansion (BRE) calls provide an opportunity to gather some export related-knowledge about the companies, but only on a cursory level.

As outlined earlier in the trade analysis, the 2018 “gazelle” companies offer an important avenue to grow Clackamas’ export base of activity. For this to succeed, investing in staff training and the hiring of a dedicated international trade specialist to carry out more enhanced counseling and support is highly recommended.



A key aspect of this trade strategy is based on the formal launch of an international trade program that would enable CCBED to execute on programs and services that would be tailored by the needs of current exporters, with a focus on the “gazelle” firms. This approach would allow CCBED to be deliberate about select, tailored services and program offerings that it would partner with trade experts to deliver. The proposed trade advisory group would be a valuable resource to guide in these efforts as well. The international trade service providers would benefit from this approach because it would connect them with exporters more effectively and efficiently. The current model operates more like “we will build it, they will build come” approach.

To enhance the County’s role in this effort, it is suggested that Clackamas County build upon its partnerships with federal, state, local economic development partners, and business associations as a means to better serve Clackamas businesses. The County’s CCBED team can readily leverage the international trade ecosystem that exists in its backyard. This ecosystem comprised of the US Commercial Service, Business Oregon, Oregon Department of Agriculture, Travel Oregon, the Small Business Development Global Trade Center, Greater Portland Inc., and the Port of Portland are excellent trade allies who can deliver key services, programs, funding, and market intelligence to local businesses in collaboration with CCBED staff. See Appendix F for a list of trade partners.

The County can serve to be build global connections and partnerships through the Oregon Consular Corps in Oregon and with other West Coast based foreign officials (Chinese Consulate-SF, Invest UK, HK Trade and Invest, etc. These organizations are interested in establishing relationships and should be included in County events or regional partnership activities that serve to promote global trade and investment opportunities. List of foreign representative officials is in the Appendix G.

Trade partnerships can take the form of cooperation agreements (formal or informal) that spell out ways to collaborate together. Clackamas economic development staff would be involved in helping to arrange a suite of tailored services delivered to Clackamas County firms by trade partners identified above.

Suggested activities that the County could support to deliver trade benefits to Clackamas companies and communities include:

- Export Counseling and Services. Many exporters aren't aware of the availability of services and trade experts who can actively help them. Services are designed to develop specific export strategies for priority markets.
- Trade Shows and Financial Assistance Opportunities. Oregon Trade Promotion Program (OTPP) and STEP funds are available for local firms to use to attend trade shows and other related trade activities. Eximbank Insurance Programs, SBA trade financing and other resources are available to help Clackamas companies expand exports.
- Webinars and Export Training Programs. Business-focused seminars/webinars on how to export, protect intellectual property rights and other critical trade related support services are offered regularly but need to be targeted to appropriate clients.
- New to market exporters capacity-building programs. Topics: export planning, market entry strategies (direct vs indirect exporter), international distribution, and product certification as well as technical training programs that discuss payments, and shipping documentation, among other topics.
- Mentoring or peer-to-peer networking trade events. Firms often cite the ability to learn from other exporter's international trade experiences, especially "lessons learned" stories, as most valuable opportunities.
- In-bound buyer missions or foreign investor visits. Opportunities to meet potential customers looking for US products, or investment opportunities. SelectUSA high profile trade/investment events utilize public-private partnerships with local and regional economic development and trade groups to facilitate in-bound investment.
- Cultural Practices and Business Etiquette. Workshops or seminars are useful forums for learning about International business norms and cultural practices that are important aspects of doing business internationally.

Note: A summary of key international gift giving ideas, taboos, and cultural practices for Asia are provided in Appendix H. In addition, ten country business etiquette factsheets that serve as a resource guide are located in Appendix I.

Foreign Direct Investment (FDI)

Foreign Direct Investment is another important part of an economic development portfolio to further economic growth and vitality. FDI, by definition, occurs when a foreign company invests in a US business enterprise either by opening a new operation or through a merger or acquisition. The foreign investor must hold a majority stake in the US operation for it to be considered "foreign-owned".

Attracting FDI is a long-term cumulative process that is built on relationship with an investor through regular and consistent communication. Research shows that over 60 percent of FDI projects come from

companies already established in the community. Establishing relationships with existing investors is an important part of the process. Clackamas County's participation in investor focused events can serve to make critical introductions, and equally important, to hone its skills at developing its marketing and investment message targeting international investors. Trade and investment trips organized with economic development, state, and federal partners can be a cost-effective way to participate in key markets in Asia and Europe. Building close relationships with organizations that have strong cultural and educational ties with FDI markets can yield benefits and enrichment too.

FDI Target Opportunity - Cross Laminated Timber

In addition to working with existing FDI businesses in Oregon, Clackamas County should focus its interest in attracting investors and companies from Europe as Clackamas County positions itself as a leader in the burgeoning Cross-Laminated Timber (CLT) and Mass Timber industry in the US. Working closely with the Softwood Export Council and Oregon State University, the County should consider participating in a European "study mission" to learn first-hand about Germany, Austria, and the UK's CLT industry practices, supplier relationships, and commercial building applications. Initiating and building relationships with potential European investors and companies looking to set-up operations in Clackamas will require information about cultural connections (education and social networks) that are important to these investors. This is particularly important to German firms looking at FDI opportunities in the United States.



Staffing, Resources and Budget Recommendations

As CCBED seeks to expand its trade related support services to Clackamas companies, the lack of a well-funded and adequately staffed international team, will hinder accomplishment of the County's sustainable economic prosperity goals.

Staffing Requirements and Expenses

The rationale for proposing an increase in professional staffing and international trade resources is to enable the County's economic development team to support local businesses competitiveness in global market by providing technical and educational assistance, help develop markets for Clackamas products and to attract international companies to the region through business and trade missions.

Dedicated International Trade Staff

The hiring of an international trade specialist is an important investment that is needed to help launch the expansion of the County's trade activities, with the prospect of adding an additional part-time staff position in late FY 2020 or early FY 2021.

Domestic and International Travel

Many exporters participate in trade shows and trade fairs as a business development strategy. Trade shows provide an opportunity for firms to meet new customers, see clients, showcase their products, track product trends and assess their competitors.

It is therefore critical for CCBED to participate in trade shows and trade missions to better support the Clackamas firms they seek to help, and to gain first-hand knowledge about foreign market's competitive influences, practices, and business environment. This may require travelling 1-3 times a year.

See Appendix K for information about international trade show participation, offerings, and recommendations.

Website, Marketing, Website, and Collateral Materials

The current CCBED website export page should be expanded to include both downloadable web-based resource guide information, country-specific business etiquette practices and norms, and links to locally offered export programs, conferences, and details about federal, state, and local export related services and tools. It should also host information on overseas trade and investment-related partners, as well as educational materials and resources to expand trade and the county's foreign direct investment interests.

A sample list of topics to cover on the web-page should include:

- Export Documentation
- Top Markets Opportunities
- Trade Terms and Data
- Customs Brokers lists
- Transportation Provider Lists

Appendix L provides a comprehensive outline of diverse and informative web-based resource guides and links to assist businesses in their search for international trade knowledge.

International Trade Data – Data Resources

Access to good trade data resources can be critical to counseling County clients on priority foreign markets, opportunities and events. There are a number of both private and public data sources that can be used to track state export and import volumes, commodities, market data and trends. The names of these suggested trade data resources and vendors are provided in Appendix M.

Hospitality and Gifts

A part of international engagement requires the hosting of select foreign delegations or travelling overseas to meet with foreign trading partners. These activities can include hosting events and the exchange of customary gifts. These expenses should be closely managed as it is easy to overspend in this category.

Proposed International Trade Budget

CCBED will need supplemental resources to carry out the international trade strategy's recommendations. The three-year proposed budget below is intended to provide cost estimates for the above described staffing and resource needs.

Clackamas County International Trade Program

	FY 2019	FY 2020	FY 2021
Proposed Budget			
International Staffing			
International Specialist	45,000*	80,000	80,000
International Specialist		35,000	35,000
Travel			
	<i>Trade Shows</i>		
Domestic	5000	5500	6000
International	8,000	10,000	12,000
Trade Mission	25,000	25,000	25,000
Hospitality			
Gifts	4000	4000	4500
Hosting events	25,000	25,000	25,000
Data, Website, and Marketing			
Website	1500	1000	1000
Trade Data Subscription	5000	5000	5000
Collateral Materials/Translations	2500	2500	2500
Total	122,000	193,000	196,000

Note: assumes half-year employment & on-boarding expenses

Summary Points

The role of government comes to the fore in international trade, as it does in other aspects of economic development. Government - national, state, and local play a special role in supporting trade opportunities, investing in trade education, developing trade capacity, upgrading and maintaining infrastructure, promoting export practices, and enticing private investment in trade opportunities.

This international trade strategy is designed to provide the County with a framework to expand and maximize international trade and foreign direct investment opportunities. The goals and strategies described herein specifically seek to create jobs and promote long-term sustainable growth in Clackamas' economy. The report's recommended investments and actions aim to support Clackamas' commitment to growing its international trade and investment abilities and engagement globally.

The final guidance offered to policymakers and staff are the following principles that underlie the various recommendations in the report:

- The voice of the private sector is important. Private-sector representation on an Advisory Trade Group would ensure greater influence on strategic decision-making and could lead to better export and investment outcomes.
- A narrow strategic focus yields better export growth. By concentrating on companies that already export, selecting a small number of target markets and executing strategic export promotion activities, companies should achieve faster export growth. It is important to establish a portfolio of priority clients, markets and activities.
- Charging fees for services contributes to better export outcomes and helps constrained budgets. Even modest fees keep clients focused, helps agencies to remain productive, and provide real value for money.
- A strategic focus on attracting foreign investment starts with building relationships with already invested local foreign owned businesses and their identified supply chain needs.
- Last but not least, making the commitment to adequately provide staff and resource funding in the County budget is critical, as is leveraging collaborative trade partnerships through a strong public-private approach.

APPENDICES

Appendix A

Clackamas Priority Export-Oriented Industry Clusters

Agriculture and Food Production and Nurseries and Greenhouses

Oregon agriculture is known for its high quality and diversity - 225 different crops, livestock and seafood products. World demand for Oregon agriculture and food production is on the rise. Oregon ships 80 percent of what it produces out of state, with more than 40 percent exported internationally.

In Clackamas County, there are 156 agricultural and food production companies that employ 5,346 workers in the county.

Key foreign markets include Japan, Canada, China, Australia, Hong Kong, United Kingdom and Vietnam.

Clackamas is also one of the top five agricultural producing counties in Oregon with production value exceeding US\$300 million, mostly in Christmas trees and nursery products. There are 145 nursery and greenhouse companies with over 4,200 workers employed in the county.

State exports in the nursery category reached US\$60 million in 2015; the top five markets included Canada, Mexico, Peru, China and Spain.

Advanced Manufacturing - Metals and Machinery

Clackamas is home to globally competitive companies in the metals and machinery manufacturing cluster. Global sales volume and expansive global footprints speak to the importance that exporting contributes to these companies' bottom lines. Clackamas firms generate annual gross domestic production estimated at more than US\$810 million. There are 7,691 workers employed in this cluster. Four firms are in the County's Top 100: PCC Structural, Benchmade, Blount International, and Vigor Industrial.

Precision Castparts is the world leader in structural investment castings, forged components, and airfoil castings for companies like Airbus, Boeing, GE and Rolls-Royce. In 2015, Precision's sales exceeded US\$10 billion through 162 facilities in over twenty countries – including six in Clackamas County employing nearly 3,000 workers.

Clackamas is home to a number of other globally competitive companies in the advanced manufacturing metals and machinery category including Benchmade Knives, Global Exports, Oregon Cutting Systems, Fuller Brothers, JV Northwest, SSI Shredding Systems, Marks Metal Technology, Warn Industries, Pioneer Pump, and CTF Enterprises.

Key foreign markets for these products include China, Canada, Japan, South Korea, Taiwan, United Kingdom, Mexico, Brazil, Turkey, and Australia.

Advanced Technology - High-Tech

Clackamas County's high-tech cluster includes companies that manufacture a variety of electronic components and software systems for computers, energy, transportation, aerospace, motor vehicles and defense related products. Growing opportunities are in computer components, audio/video equipment, battery manufacturing, and wire & cable manufacturing. This cluster's annual gross domestic product is US\$1.9 billion. Employment is estimated to be 7,180 workers.

Eight firms in County Top 100 include: Xerox, TYCO Electronics, Flir Systems, Rockwell Collins, and Mentor Graphics.

Large firms that export globally from Clackamas include Xerox Corporation, Tyco Electronics Corporation, Mentor Graphics Corp, Coherent, MEC Northwest Sunstone Circuits, Micro Systems Engineering, OECO, Rockwell Collins Aerospace, FLIR Systems, Inc. and Johnson Controls Battery

Key foreign markets in this sector include Canada, Germany, United Kingdom, France, and the Netherlands.

Wood Products Manufacturing

Logging, lumber production, and wood products manufacturing have contributed to the Oregon and local economies as primary industries for decades. Clackamas County locally produced wood products include lumber, plywood, wood trusses, cabinets, and pallets. Employment in this cluster generally swings with housing construction cycles, with approximately 720 workers employed in 23 country businesses. Increasing timber harvest levels and growing export markets for value-added products are helping to increase sales of wood product manufacturing companies. Brentwood Corp placed in the County's Top 100 businesses. Other County businesses that export include Interfor Pacific Inc; Sanders Wood Products Inc. and Vanport International.

Key foreign markets include Japan, Canada, Guatemala, China, and Brazil

Food Processing Manufacturing

Food processing is the third-ranked manufacturing activity in the state. Food manufacturing companies process bakery, dairy products, fruits and vegetables, meat and poultry, seafood, snacks, and specialty crops. Other processed foods include baked goods, beverages and canned goods.

Clackamas County has experienced strong growth in this sector for the past several years. Annual gross domestic product was US\$248 million in 2015. Employment is strong with 2,397 workers.

Three firms made the County Top 100 include: Bob's Red Mill Natural Foods, Dave's Killer Bread, and Fred Meyer Bakery. Pacific Seafood is a global supplier with a well-established reputation in Asian markets, and Chez Marie Puddin River Chocolate is a favorite in Australia.

Key foreign markets for processed food products include: Canada, China, Germany, the Philippines, Brazil, Australia, and Mexico.

Software and Media Production

This cluster is comprised of publishers, motion picture and video industries, broadcasting, advertising, photography, arts/sports agents/promoters and independent artists and computer software. The gross domestic product contribution in 2015 within this cluster was US\$491 million with the top ten firms in the sector accounting for about 62 percent of payroll.

Firms in this cluster include AutoDesk Inc., Waggener Edstrom, Thomson Reuters, Dark Horse Publishing, Oregon Publication Corporation, AEC, Inc., Classic Exhibits, Pacific Marketing & Publishing Inc., Hawksoft Inc, and 32 Degrees Digital.

Growing markets include United Kingdom, China, Canada, Germany, Italy, and Turkey.

Appendix B

Clackamas Trading Partners

Canada

Canada has enjoyed free trade with the US since the late 1980s and been part of the NAFTA agreement with the US and Mexico for over 20 years. The two economies share a significant supply chain integration, particularly for states close to the border. In 2016, around 75 percent of Canada's product exports went to the US, and 65 percent of the products imported into Canada were from the United States. This same year, US exports to Canada exceeded total US exports to China, Japan, South Korea, and Singapore combined.

Canada is a highly receptive, open, and transparent market for US products and services, with Canadians spending more than 60 percent of their disposable income on US goods and services. Canada has been a long-standing trading partners with Oregon. It is our second largest export market with over 40 percent of export trade to Canada comprised of heavy manufactured exports: machinery, metals, and transportation equipment. Oregon companies exported US\$2.3 billion in 2017; bilateral trade totaled US\$5.1 billion.

Canada prides itself on being an open market and offers assistance in helping to find potential business relationships for those entering the market. The Canadians sponsor the Canadian Importers Database, put together by Industry Canada, to help companies search lists of companies importing goods into Canada by product type, country of origin and Canadian city. It also provides information about who is already importing what and from where. The Canadian Trade Commissioner Service (TCS) is also a valuable resource for those looking to do business in Canada or with Canadian companies. They can connect firms with potential partners and information about prospective trade shows or missions to attend.

Canada offers small and mid-size businesses' fairly straightforward market entry strategies. Canada should be a key component of most company's export growth strategy, whether they are first-time exporters or seasoned traders.

Japan

Driven by its large middle-class consumer base, Japan is a leading consumer and producer of goods and services and exerts significant commercial influence in global markets. In particular, Japan's technology and manufacturing-related industries play a leading role in the global economy and global supply chains.

Japan is highly dependent upon the import of natural resources. For example, it is the world's largest net buyer of food products. The United States is the leading supplier of its agricultural imports, as well as agricultural capital equipment and related technologies. Total US food, agricultural, and fishery exports to Japan were worth more than US\$12.5 billion in 2016.

Japan's strategic alliance and deep economic integration with the United States continue to present opportunities for cutting edge and evolving sectors including space, defense, and security. Japan is a leading importer of U.S. aerospace and defense equipment and, increasingly, an integrated co-developer.

Related growth sectors include defense procurement, advanced manufacturing, and cyber security solutions.

Oregon's export trade with Japan is about 34 percent agricultural and food products, 22 percent machinery, and 5 percent wood and forestry products. In 2017, Japan imported US\$1.8 billion in merchandise goods from Oregon. Japan and Oregon have been traders for more than a century.

How business is conducted in Japan is closely tied to cultural and language sensitivities. Use of the Japanese language is critical to success in Japan. Marketing in Japanese is essential to communicate with local consumers and business customers. Labeling requirements for many products are specified by government regulation and must be in Japanese. Japanese consumers have high-expectations and demand that products adhere to standards of quality, appearance, packaging and display. Delivery timing, as well as after-sales service, is also crucial.

South Korea

The Korea-US Free Trade Agreement (KORUS FTA) helped make Korea an attractive market to pursue. With more than 90 percent of tariffs now reduced or at zero, US products are becoming increasingly cost-competitive and bilateral trade is growing. Korea continues to move on economic liberalization and deregulation.

Korea is currently the United States' 6th largest goods trading partner with US\$112.2 billion in total (two way) goods trade in 2016. Goods exports totaled US\$42.3 billion; goods imports totaled US\$69.9 billion. The trade deficit with Korea was US\$27.7 billion,

In 2017, Oregon exports to South Korea grew from US\$1.1 billion to US\$2.0 billion during a 12-month period. The top five export categories included machinery, agricultural products, chemicals, computer and electronics products and transportation equipment. There was significant growth in beverages and wood products exports to Korea as well.

Oregon SMEs will need to be flexible and ready to work with Korean business counterparts pertaining to contract terms or renegotiating price, quantity, and delivery terms. The traditional Korean approach to business deals, where Koreans feel that the signing of a contract is only the beginning of a business relationship, differs significantly from the US model and SME firms should be well-aware of this when entering into negotiations.

Vietnam

Over the past few years, Vietnam has received increased attention as an alternative to China in the manufacturing industry, offering operating costs up to 50 percent lower than its giant competitor. Vietnam is a young, still-emerging market that can present its share of challenges to businesses attempting to trade with the country. Nonetheless, Vietnam should be on most importers and exporters' radar screens.

Vietnam has a population of over 90 million people and a growing middle class. The country is expected to be among the top ten fastest growing economies over the next few decades. US exports to Vietnam

grew by 23.3 percent to US\$7.1 billion in 2015, and by 43 percent in 2016, resulting in a two-year increase of 77 percent.

Growing trade ties with Vietnam can be helpful to Clackamas firms looking at new trade opportunities. Currently Oregon exports around US\$1.6 billion in products; over 84 percent of this was computer and electronic products (Intel has a fab in Vietnam). Vietnam is a growing market for agricultural products and, in 2016, accounted for nearly half of total US exports to Vietnam. Industrial inputs continue to see steady growth as Vietnam continues to import machinery, chemicals, instruments and software to grow its industrial sector.

As with many Asian nations, developing strong relationships with professionals on the ground will help tremendously when it comes to navigating the often-complex processes and administration. Partners can also help develop business connections and offer guidance on the business culture. Local partnerships are also helpful when it comes to navigating Vietnam's legal framework. Much of the business law system requires interpretation, which can lead to confusion and compliance with the law.

Companies looking to do business in Vietnam should also be patient. Negotiations can take some time and decisions often have to go through client's significant internal deliberations.

United Kingdom

The United Kingdom (UK) of Great Britain and Northern Ireland comprises England, Scotland and Wales (Great Britain) and Northern Ireland. The United Kingdom's estimated gross domestic product is US\$2.9 trillion; the second largest economy in the European Union. The UK has a population of more than 64 million people.

Oregon exports to the United Kingdom totaled US\$450 million in 2016. Roughly 47 percent of this trade was in computer and electronics products, with chemicals, machinery, and transportation equipment comprising another 27percent.

The UK market has few trade barriers and often serves as the first point of entry for Oregon firms considering expansion into the European market though the Brexit outcome will impact this role. Currently, more than 43,000 US exporters sell into the UK and EU. US exports of goods and services combined to the UK were estimated to be worth about US\$121 billion in 2016. Key export opportunities for Clackamas firms include aerospace products, agricultural products, cyber security, medical equipment, pet products, sustainable construction materials and travel and tourism.

Doing business in the UK can be expensive and complex EU technical/regulatory requirements can be burdensome. Companies need to be able to demonstrate a competitive advantage (i.e. price, quality, branding), and make a long-term commitment to doing business, which may require that you visit the UK to spend time getting to know your partners and customers. Choosing an experienced local distributor is important as is getting to know the cultural differences that, at times, are subtle and seemingly less obvious as you launch marketing strategies in country.

Presently, discussions are underway as to the kind of economic and trade agreement that will replace the UK's current membership in the European Union.

Germany

The German economy is the world's fourth largest and accounts for more than one-fifth of the European Union's GDP. Germany is the United States' largest European trading partner and the sixth largest market for US exports.

The significance of the German marketplace goes well beyond its borders. Trade events offer global exposure in Germany at some of the world's largest trade events, such as MEDICA, the Hannover Fair, Automechanika, and the ITB Tourism Show. The volume of trade, number of consumers, and Germany's geographic location in the EU offers strategic advantages.

Germany ranked 8th as a trading partner with Oregon in 2017. Oregon exported US\$487 million to Germany with 55 percent of the products comprised of computer and electronics products, machinery, electrical equipment, appliance and components, and food manufactures. Oregon's bilateral trade with Germany increased almost 31 percent from 2016.

Germany presents few formal barriers to US trade or investment. The German market is decentralized and diverse, with interests and tastes differing from one German state to another. Successful market strategies should take into account regional differences when hiring a local distributor to represent a company's products. Experienced representation is a major asset to any market strategy, and American companies interested in exporting to Germany will find that EU-wide standards have often been based on German practices.

Australia

Australia is a pro-US market and the United States is a major supplier of transportation equipment, machinery, chemicals, electronic products, fabricated metal products, processed foods, electrical equipment, plastics, rubber, primary metal products, and agricultural products and equipment.

Oregon's exports to Australia in 2017 were US \$434 million, making it the state's 12th ranked trading partner. The state's top merchandise export category was computer and electronics products, followed by chemicals and transportation equipment which accounted for about 64 percent of Oregon's trade.

Leading prospect opportunities include defense technology, aircraft and parts, building products, cloud computing services, medical equipment, smart grid technology, recreational marine transportation, and cosmetics.

Success in the Australian market often requires establishing a local sales presence. For many American exporters, this means appointing an agent or distributor. The terms of these appointment are negotiated, and may include only certain states of Australia, the entire country, or New Zealand as well.

Most of the criteria American firms use to select agents or distributors in markets throughout the world are also applicable to Australia, with expectations adjusted to the scale of the market given the population of 24 million. Performing due diligence is just as important in Australia as in the United States.

People's Republic of China

The US and China traded US\$711 billion worth of goods and services in 2017. While China is our largest trading partner, our total bilateral trade represents only about 13.5 percent of trade the US has with the rest of the world⁷.

China is Oregon's largest trading partner. Exports to China last year were US\$3.9 billion with more than 55 percent made-up of computer and electronic products. Oregon firms also exported machinery, transportation equipment and processed food items to China; this combined trade exceeded US\$982 million. Significant market potential exists for companies, particularly in energy efficiency, clean technology, and healthcare industries, where critical Chinese needs provide an opportunity.

According to the US Country Commercial Guide on China, before entering the Chinese market, US firms need to carefully assess their long-term business strategy and to understand that the market is not recommended for new-to-export companies. Representation in China by a Chinese agent, distributors, or partners who can provide essential local knowledge and contacts will be critical for success. Intellectual property (IP) rights holders should understand how to protect their IP under Chinese law before entering the market and should conduct thorough due diligence on potential partners or buyers before entering into any transaction.

The following areas have been identified as potentially promising for Clackamas firms.

E-commerce: Trade data shows that ecommerce is a growing opportunity for businesses wanting to get into the China market through online shops or trading platforms. The Chinese internet landscape is different than in the West, so the right market entry strategy and Chinese localization is critical.

Oregon based, hoopla Global, is already making tremendous headway in helping US consumer products get into China. They are particularly eager to help local Oregon SMEs be successful.

Education: The education market is a growing market in China. Chinese parents are spending heavily on their children's education, including sending their children to the US on tourism travel and summer education camps.

Working closely with the Study Oregon Consortium, Clackamas Community College and/or Lewis & Clark College could further build education-based relationships between Clackamas and China.

Tourism: Most middle-class Chinese choose overseas destinations instead of traditional domestic destinations, especially for public holidays. Chinese international travel has become a major source of growth for travel providers in destination countries. This has added benefits of supporting hotels, restaurants, air flights, car rentals, travel shops, tour guides and many other travel relevant market niches.

Travel Oregon/Clackamas Tourism should jointly promote Clackamas' brand in China through Travel Oregon's social network platform and partnerships to support both export and FDI prospects. This model has been very successful in Japan.

⁷ Source: The Heritage Foundation's Asian Studies Center, May 2018.

Healthcare: Chinese consumers are more health-conscious than in the past. The Chinese healthcare market is still in an early stage of development and demand is strong for products like natural and nutritional supplements that are not produced in China. This represents a sector that should be targeted by local Clackamas firms, both established and others as they are identified as (or become) export ready.

Food and Wine: Chinese consumers are looking for better and safer food. All kinds of foreign food and wines in the China market sell well. Wine is especially popular in the large cities of China (Beijing, Shanghai and Guangzhou).

Clackamas culinary products, if they aren't already, should be targeting the Chinese market as one to be jointly pursued with the Oregon Department of Agriculture.

Clean Technology / Ecological: China's environmental problems have created demand for clean technology products, particularly new green technologies that can battle air and water pollution. Green technology is a strategic industry in China and the government is actively offering subsidies and incentives to foreign companies to enter the market.

SSI Shredding, a Clackamas business, has been active in China; Business Oregon can be a strong partner in the effort to get more local products into the market.

Clackamas County -- Guanyun County, China Agreement

On November 30, 2016, Clackamas County signed a sister-entity agreement with Guanyun County, Jiangsu Province, China. The agreement supports communication and cooperation between the two parties in areas of collaboration in trade, culture, education, science and technology of mutual interest.

The agreement between Clackamas County and Guanyun County provides an opportunity for both parties to learn about each other's economic and commercial strengths, while also pursuing other avenues of cooperation. Two previous Oregon China Sister State Relations Council missions to China provided opportunities for the participating Clackamas delegations to gain insights into areas of cooperation. Below are areas that reflect common interests with potential for follow-up.

1) Tourism exchanges

- The two parties should bring tourism experts and tour operators together to share best practices around tourism promotion and support for small retail and specialty shops.

2) Natural resource innovations and agricultural commodity exports

- The two parties should work together to increase agricultural export sales to China that face tariff and inspection barriers. Oregon Department of Agriculture has played a lead role in helping to address phytosanitary inspection concerns.

3) Environmental stewardship and policies

- The two parties should work together to exchange information on land and natural resources best practices that support economic opportunities in an environmentally friendly manner. Clackamas County may want to showcase its partnerships with higher education and state government in these efforts.

4) E-commerce programs for entrepreneurial businesses

- The two parties should exchange information about their ecommerce and entrepreneurial business development models to help support new business opportunities for its citizens.

It is recommended that a conversation with Portland – Suzhou Sister City Association officials about the lessons learned over its 30 years history of sisterhood with Suzhou could be helpful, in particular lessons learned about bilateral partnerships. Suzhou is a large city within Jiangsu Province. The prefecture city of Suqian, is located next to Guanyun, and has participated in previous Suzhou visits to Oregon. Leveraging these relationships could lead to partnership opportunities both in Oregon and in China.

Appendix C

Clackamas County Gazelle List

Top Cluster Businesses		
Business Name	Product	Global Markets
A.I.C., INC.	Cleaning and recoating baking pans (supplier to Bundy Baking solutions)	U.S, Canada, Mexico, Colombia, UK
ALL METALS LLC		
AMERICAN METAL SPECIALTIES INC	Custom Metal Fabrication (CNC machining, sheet metal fabrication, metal finishing, assembly, and CAD/CAM design)	Supply chain to semi-conductor, electronic, optical, energy
AMERICAN WOOD DRYERS LLC	Dry Kiln (Continuous, package, Track kilns)	
ANDERSON QUALITY SPRING	Custom metal Fabrication (Coiling, wire forming, wave spring, flat wound)	Global US, Europe, China, Australia)
ARCHITECTURAL SPECIALTIES, INC	Skylights, overhead glazing systems, & roof accessories, ladders, lockers, etc.	Supply chain to Ex. (Not Specified)
BEKOS WELDING INC	Welding services (Primarily Bridges)	Domestic (Oregon, Washington, California, Idaho, Montana)
BENCHMADE KNIFE COMPANY INC	commercial knives	Asia, Europe
BUFFALO WELDING, INC.	metal fabricators	domestic company
CASCADE ENGINEERING TECHNOLOGIES	Complex machining and assembly for Aerospace industry	Supply chain to Ex. (Not Specified)
CASCADE PRECISION INC	Pneumatic and Hydraulic Cylinders, Components Manufacturing	Supply chain to Ex. (Not Specified)
CONSOLIDATED METCO, INC	Wheel Ends, aluminum castings, plastic components for commercial vehicles	US, Global
CONVEYCO MFG CO	Industrial Chain manufacturing	US, Canada, Europe, Chile, Brazil, New Zealand, Australia
CRANSTON MACHINERY CO., INC.	Manufactures and supports custom machinery and tools for users with unique packaging, handling and production applications. (Pulp & Paper, Shipping, Agriculture and Recycling)	Global
CRB MANUFACTURING, INC.	CNC Milling, CNC and Swiss turning, Stamping, Wire EDM, Waterjet, Quality and inspection	Supply chain to Ex. (Not Specified)
CRIMSON TRACE CORP	Lazersights for firearms (OEM relationships with brands including Kimber, Ruger, Smith & Wesson, and Springfield Armor)	Global (Gun manufactures are global companies)

CURRAN COIL SPRING, INC.	Springs, Wire forms and light metal stamping	Domestic
DWFRITZ AUTOMATION INC	Semiconductors, Energy Storage, Medical Devices, Aerospace, Automotive, Factory Automation, Consumer Electronics, and Metrology Instrumentation	China, EU
ENOCH PRECISION MACHINING CO	CNC turning, Multiple secondary operation (MSO), Milling (low volume, and prototyping, quality assurance, finishing.	Supplier to global companies
GROVTEC U S INC	Swivels, Slings, Holsters, weapon attachments and adapters,	Unknown
GTE METAL FABRICATORS, INC.	Sheet Metal Contractor	Domestic (Not Specified)
INTERSTATE MFG., INC.	Trailer Manufacturer	Domestic (Not Specified)
J & P WIRE PRODUCTS INC.	Wire Formation and metal fabrication, finishing	Supply chain to Ex. (Not Specified)
JV NORTHWEST INC	Stainless steel Mixing, storage, processing vessels, fermentation tanks,	Supplier to Food & Beverage, pharma, cosmetic
KLEENAIR FURNACE CO.	Industrial ovens and furnaces, heat treating furnaces, drying systems, and energy recovery equipment.	Supplier to Aerospace, Military, automotive, electrical, etc.
KO CUSTOM FAB	Custom steel,iron fabrication, (Specializing in steel for construction industry both residential and commercial)	Appears to be localized
KRAFT SCREENS & WINDOW WASHING INC	Residential and Commercial screening and shading services	Appears to be localized (OR, WA)
LEADER TECHNOLOGIES INC	Specialized (Metal) plating for electronics, medical, military and aerospace industries.	Supply chain to Ex. (Not Specified)
MARKS BROTHERS, INC.	Metal Fabrication (Sheet, plate, tube and pipe)	Supplier to biomass, chemical, constr. mining, oil & gas
MARKS METAL TECHNOLOGY INC	Structural fabrication, Circular/spiral staircase, plate processing, concrete pipe forming	Supply chain to Ex. (Not Specified)
MET-TEK, INC.	Metal supplier, fabrication, Metal heat treating	Supply chain to Ex. (Not Specified)
MICRON METAL FINISHING INC	Metal Finishing	Supply chain to Ex. (Not Specified)
MILLER ENGINEERING & MANUFACTURING	CAD/ CAM Design, CNC Machining, Lazer cutting, Sawing, Press break Forming, welding, Fabrication and assembly	Supply chain to Ex. (Not Specified)
NORTHWEST INNOVATORS LLC	Sandblasting and powder coating	Supply chain to Ex. (Not Specified)
NORTHWEST MACHINE WORKS INC	CNC Milling, CNC Turning, grinding, manual machining, sawing, finishing	Supply chain to Ex. (Not Specified)
NORTHWEST TECHNOLOGIES INC	Laser cutting, Fabrication, CNC machining, forming and rolling, welding, finishing, designing, delivery.	Supply chain to Ex. (Not Specified)

ORCHID ORTHOPEDIC SOLUTIONS OREGON,	(Hip/Knee replacements) Orchid+ Supply chain management, Casting, Forging, Injection molding, Implant coating, Instrument assembly, Machining.	Supply chain to Ex. (Not Specified)
OREGON SCREW MACHINE PRODUCTS, IN	CNC Swiss, CNC turning, automatic screw, CNC Milling	Global
PACIFIC FENCE AND WIRE CO	Fence insulation	Unknown
PCC STRUCTURALS, INC.	Superalloy, aluminum, and titanium, Investment casting	Global
PRECISION DIE CUTTING INC	Custom tooling, Die cutting, Printing	Supply chain to Ex. (Not Specified)
PRODUCT MFG. INC.	CNC Machining	Supply chain to Ex. (Not Specified)
PROTURN INC	CNC Machining	Supply chain to Ex. (Not Specified)
QUALITY TANK & CONSTRUCTION CO	Fabrication & Heavy rolling, cranes & Rigging, Mechanical, piping, structural, mining, boilers, wood preserving	Supply chain to Ex. (Not Specified)
ROPE MASTER/SKOOKUM	Part of Ulven Forging (Blocks and Rigging)	Supply chain to Ex. (Not Specified)
SEUBERT MACHINING & FABRICATION INC	Machining and fabrication for aircraft, medical, marine, Hvac etc industries)	Supply chain to Ex. (Not Specified)
SKUTT CERAMIC PRODUCTS	Manufacture Kilns	EU
SSI SHREDDING SYSTEMS INC	Manufacture shredders	Asia
TECH-MARK INC	Manufacture ovens, smokehouses, chillers, steam cabinets, dryers, pasteurization units, smoke generators	Supplier to Food and Beverage
TNA NA MANUFACTURING INC	Food Packaging solutions	Global
TOP TIER LLC	Concurrent Stretch wrapping (Palletizing)	EU
TRILLIUM MACHINE INC	Website under construction (No information available)	TBD
U S CRANE & HOIST, INC.	Design, Fabrication, and installation of cranes	(Not Specified)
U. S. METAL WORKS, INC.	Custom Steel Fabrication and installation	Supplier to wood products,pulp and paper, chemical etc.
ULTIMIZERS, INC.	High speed cut-off saws and scanners	Global
ULVEN FORGING COMPANY	die hammer forging, press forging, upset forging, and machining	Supply chain to Ex. (Not Specified)
UNOBTANIUM INC	Vintage Porches and parts to restore them	(Not Specified)
VIGOR WORKS LLC	Steel Fabrication, CNC Machining, Large Machining	Supplier to Aerospace Hydro, Marine, Nuclear etc..
WRIGHT MANUFACTURING LLC	Machining, metal forming, welding, mass fabrication and install	Supply chain to Ex. (Not Specified)

WSB FABRICATION LLC	Creates Steel Framed structures	(Not Specified)
ASTORIA-PACIFIC INC	products for newborn screening, environmental analysis, oceanographic testing and other applications.	West Hem
CISCO SYSTEMS INC	develops, manufactures and sells networking hardware, telecommunications equipment and other high-technology services and products.	Global
CONVERGENCE NORTHWEST INC	IT support, cybersecurity, business consulting, cloud services	(Not Specified)
DEALER SPIKE LLC	Search Engine Optimization	Online
DEALER SPIKE OPCO LLC	Search Engine Optimization	Online
ELECTRONIC CONTROLS DESIGN INC	Thermal profiling solutions for Electronics, Baking, Solar, and Industrial Application.	EU, China
FLIR SURVEILLANCE INC	(Thermal imaging) designs, develops, manufactures, markets, and distributes technologies that enhance perception and awareness	Global
IMAGEWARE SYSTEMS INC	Biometric identification	Global
JOHNSON CONTROLS BATTERY GROUP INC	Automotive battery manufacturer	Global
MEC NORTHWEST	Design and Manufacture circuit boards	Global
NORTHWRITE INC	Help small and mid-sized building owners with reduced utility expense.	Supply to small and midsized businesses
OPTIMIZE TECHNOLOGIES INC	designs and manufactures a complete range of innovative HPLC components	Global
RELIANCE NETWORK LLC	Design and engineer real estate software	Online
ROCKWELL COLLINS INC	flight deck avionics, cabin electronics, cabin interiors, information management, mission communications, and simulation and training	Global
SAP AMERICA INC	Allow businesses to track customer and business interactions.	Global
SHIMADZU USA MANUFACTURING INC	manufactures precision instruments, measuring instruments and medical equipment	Japan
SUNSTONE CIRCUITS INC	printed circuit board manufacturer	Supply chain to Ex. (Not Specified)
SUPERGENIUS LLC	Video Game developers do Virtual Reality and Augmented reality as well	Online
ZINCFIVE LLC	nickel-zinc based energy storage and delivery solutions for Data Centers, Intelligent Transportation, Motive Power and other industries.	(Not Specified)
C&S FARMS LLC	grower, vegetable and melons	Domestic (Not Specified)
CAL FARMS INC	grower, packer and shipper of over 30 organic and sustainably grown fresh market vegetables	(Not Specified)

CALCAGNO, HOWARD L.	organic land tilth	Domestic (Not Specified)
CALIFORNIA SPLENDOR INC	growing, harvesting and processing strawberries	(Not Specified)
DRISCOLLS	growing, harvesting and processing strawberries, blackberries, blueberries raspberries, organic berries	(Not Specified)
EISELE FARMS INC	growing, berry crops	Domestic
FOOTHILLS HONEY CO LLC	provides commercial pollination services to farmers in Oregon, Washington and Northern California	Domestic (Oregon, Washington, California)
FOSTER FARMS LLC	Commercial chicken, turkey food service	Global
IVERSON FAMILY FARM INC	Agricultural services	Domestic
NORTHWEST EVERGREEN INC	Christmas Tree Farm	Domestic
ROSE AGRI-SEED INC	Researching, developing, producing and bringing to market proprietary turf and forage grasses	Global
SIRI AND SON FARMS	Organic Farming	Domestic
WILCOX FARMS, INC	Egg Supplier	Domestic
WILLAMETTE EGG FARMS	Egg Supplier	Domestic (Oregon, Washington, California)
A B MAURI FOOD	Sell yeast, dough conditioners, mold inhibitors, leaveners, vinegars, malts, syrups, acidulates	Global
BOBS RED MILL NATURAL FOODS INC	Sell Grains, (oats, cereals, seeds,	Asia, EU, South America, Australia (Global)
EVER FRESH FRUIT COMPANY	apple processor and formulated ingredient manufacturer for the Food and Dairy industry	Domestic
INTERSTATE MEAT DISTRIBUTORS INC	Cargo and freight trucking	Domestic (not specified)
LISAC, P. J., ASSOCIATES INC.	Process and manufacture Non-GMO cheese alternatives made with certified organic almonds, rice, or soy.	Domestic
NATURE BAKE	Process and Manufacture Bread	Canada
S.A. PIAZZA & ASSOCIATES LLC	Produce and manufacture Wild Mikes Pizza	Domestic
TONYS SMOKEHOUSE & CANNERY INC	Smoked Fish/cannery (Fish related products)	Domestic
PRECISION ROOF TRUSSES', INC.	Truss plant and lumberyard	(Not Specified)

⁸ FCS Group, 2018 Gazelle List

Appendix D

Census Data by Select Clackamas Zip Codes and NAICs

Clackamas County		Boring	Canby	Clackamas	Estacada	Lake Oswego	Molalla	Oregon City	Sandy	West Linn	Wilsonville	Portland	Portland	
2015 Census Data		97009	97013	97015	97023	97035	97038	97045	97055	97068	97070	97222	97267	TOTAL
	NAICS													
Adv.Mfg: Metal & Machinery	331	2	3	4	1	4	2	2	1	0	6	11	1	37
	332	4	8	22	2	7	1	9	3	4	21	19	3	103
	333	6	13	66	2	9	2	13	4	2	41	30	9	197
Adv.Tech: High Tech	334	7	8	25	1	22	1	4	2	5	34	10	2	121
	335	4	14	16	2	11	0	3	2	0	29	11	3	95
Food and Beverage Mfg	311	3	1	12	0	2	0	1	1	0	7	5	0	32
	312	0	0	4	0	0	0	1	0	2	1	0	0	8
Ag & Food Production	1112	0	15	23	0	0	0	0	0	0	0	0	0	38
	1113	0	0	0	0	0	0	0	0	0	0	0	0	0
Wood Product Mfg	321	1	0	5	1	8	0	1	0	4	15	2	2	39
Total Exporters		27	62	177	9	63	6	34	13	17	154	88	20	670

Source: The Commerce Department's Exporter Database (EDB) used latest available 2015 data. The EDB and "Profile of U.S. Importing and Exporting Companies" ("Profile") report provide an annual statistical profile of US exporting and importing companies, including their number, size, industry composition, and geographic distribution. The data link is <http://tse.export.gov/edb/SelectReports.aspx?DATA=ExporterDB>.

North American Industrial Classification (NAIC) Codes

NAICS Codes Reference Table for Clackamas County Economic Landscape, 2018

Cluster	NAICS Code
Ag & Food Production	1112, 1113, 1119, 112, 114, 115, 3253
Nurseries and Greenhouses	111421, 111422
Food and Beverage Mfg.	311, 312
Wood Product Mfg.	3211, 3212, 3219
Advanced Mfg.: Metals and Machinery	331, 332, 333
Advanced Technology: High Tech	334, 335, 5415
Wholesale Trade	423, 424, 425
Trucking & Distribution	484, 493
Software and Media Production	511, 512 (Omitting cinemas, NAICS 512131), 513, 5151, 5418, 711310, 7115
Professional Business Services	5222, 5223, 523, 524, 531, 5411, 5412, 5413, 5414, 5416, 5417, 5419
Health Care	621, 622

Appendix E

PIERS Marine Cargo Data

Clackamas County 2017 - Sample List	
EXPORT	PACIFIC SEAFOOD GROUP, CLACKAMAS, OR OREGON EVERGREEN INTER, MOLALLA, OR VANPORT INTERNATIONAL, BORING, OR HFT INTERNATIONAL, MILWAUKIE, OR WALSH INDUSTRIES, WEST LINN, OR GRAND AND BENEDICTS, MILWAUKIE, OR PACIFIC SEAFOODS, CLACKAMAS, OR CAN AM CHAINS CONVEYCO, CLACKAMAS, OR JABEZ HUMANITARIAN FOU, OREGON CITY, OR
Clackamas County 2017 – Sample List	
IMPORTS	NORTHWEST ELECTRONICS , MILWAUKIE, OR PACIFIC SEAFOOD GROUP, CLACKAMAS, OR PIONEER PUMP, CANBY, OR PROACTIVE SPORTS, CANBY, OR SMS AUTO FABRICS, CANBY, OR SWAN ISLAND DAHLIAS, CANBY, OR TRI R SALES, CLACKAMAS, OR CORNELL PUMP COMPANY, CLACKAMAS, OR STANLEY HYDRAULIC TOOL, MILWAUKIE, OR NORTHWEST SPECIALTY HA, CLACKAMAS, OR SHIMADZU USA MANUFACTU, CANBY, OR OREGON EVERGREEN INTER, MOLALLA, OR CONVEYCO MANUFACTURING, CLACKAMAS, OR MARKS METAL TECHNOLOGY, CLACKAMAS, OR VANPORT INTERNATIONAL, BORING, OR PEERLESS CHAIN COMPANY, CLACKAMAS, OR KENDAL NORTH, CANBY, OR LIBERTY NATURAL PRODUC, OREGON CITY, OR BAY STATE MILLING COMP, CLACKAMAS, OR DEVLON NORTHWEST COMPA, MILWAUKIE, OR ALPINE FOOD DISTRIBUTI, MILWAUKIE, OR VANPORT INTERNATIOONAL, BORING, OR WARN INDUSTRIES, CLACKAMAS, OR GRIZZLY GRILLZ, CANBY, OR MILKY WAY TEA AND PAST, GLADSTONE, OR KROGER, CLACKAMAS, OR MUTUAL WHOLESALE LIQUO, MILWAUKIE, OR OKADA AMERICA, CLACKAMAS, OR WESTLAND SALES, CLACKAMAS, OR J S INTERNATIONAL, OREGON CITY, OR HFT INTERNATIONAL, MILWAUKIE, OR

Note: PIERS data does not include cargo shipments that are transported via air cargo services. Generally high value products are transported by air which account for the smaller number of exporters found in this set of data.

Appendix F

International Trade Partners and Services

Federal Government Trade Assistance Services

Export assistance services are indispensable ways to help businesses that sell products and services abroad. Federal, state, and local economic development professionals, as well as private sector companies, provide export assistance services and training programs to build trade capacity. The following are a range of services and programs that are available locally:

US Department of Commerce, US Export Assistance Center

The U.S. Export Assistance Center (USEAC) in Portland is staffed by the U.S. Commercial Service. The USEAC provides comprehensive services to exporters, including free counseling to small and medium-size US companies looking to develop export markets. They help companies look at the export potential of markets, economic conditions, assist in finding international partners, and help create market entry strategies. For more information, visit [www.trade.gov/cs/ or/ export.gov/oregon/](http://www.trade.gov/cs/or/export.gov/oregon/); or call 503 326-3001

District Export Council (DECs)

DECs are private, non-profit organizations whose members are comprised of local experienced international business leaders who lend their guidance and assistance about international markets. They also help to offer advice on trade policy matters of interest to the federal government. Members are appointed by the U.S. Secretary of Commerce. DEC's are located in each state and are administered by the local US Commercial Service office. For more information, visit www.exportcounciloforegon.org

SelectUSA (FDI)

SelectUSA is a US government-wide program led by the US Department of Commerce. Its mission is to facilitate job-creating business investment into the US and raise awareness of the critical role that foreign direct investment (FDI) plays in the economy.

SelectUSA works one-on-one with foreign business investors to demystify federal rules and regulations, provide data and other information, and link companies with state and local partners and resources to help them succeed in identifying potential investment sites. For more information, visit www.selectusa.gov

US Small Business Administration (SBA) – Trade Finance

The SBA represented in the USEAC provides export finance counseling and assistance regarding programs that help exporters leverage their financial resources.

For more information, visit the Office of International Trade, or contact Jim Newton, Finance Specialist, James.newton@sba.gov

State International Assistance Resources

Oregon Business Development Department – Business Oregon

Business Oregon offers export counseling, market research, evaluation of international partners, and other services to help companies develop and expand their products or services in key overseas markets. They have a robust export promotion program to help Oregon companies' access foreign markets and increase exports through participation in trade development activities, including trade shows.

Export promotion grants are available to eligible Oregon small businesses seeking to begin or grow international sales. These export grants can cover up to 50 percent of a company's eligible expenses up to \$10,000 and are paid on a reimbursable basis. Applicants can receive up to 3 grants per federal fiscal year. For more information, contact <http://www.oregon4biz.com/Global-Connections/>

EB-5 Immigrant Investor Program

Congress created the EB-5 Program to stimulate the US economy through job creation and capital investment by foreign investors. The US Citizenship and Immigration Service (USCIS) administers the EB-5 Program. Under the program, entrepreneurs (and their spouses and unmarried children under 21) are eligible to apply for a green card (permanent residence).

Through this program, eligible immigrant investors can obtain green cards by investing in projects that create a certain number of jobs. In general, investors must invest \$1 million into a commercial enterprise in the United States that will create 10 full-time, permanent jobs for US workers, though in some cases the minimum is \$500,000. The EB-5 program has been used successfully to attract international participants who invest in commercial enterprises associated with regional centers approved by USCIS based on proposals for promoting economic growth.

Business Oregon is the designated authority within the state of Oregon to certify geographic areas or political subdivisions that qualify as High Unemployment Areas, which, along with Rural Areas, are recognized as Targeted Employment Areas (TEA) in the EB-5 program. If the enterprise in which the immigrant investor invests in is located in a TEA, the required amount of capital from the immigrant investor to make a qualifying investment is \$500,000, otherwise it is \$1 million.

Targeted Employment Areas (TEAs) are areas that, at the time of investment, are located in a Rural Area or an area that has experienced unemployment of at least 150% of the national average rate, otherwise known as a High Unemployment Area. For more information on TEAs designation, you can visit Business Oregon's website at <https://www.oregon4biz.com/Global-Connections/EB-5/>. For detailed information on the EB-5 program, investor requirements, program resources, or how to apply at Regional Centers visit <https://www.uscis.gov/eb-5>.

Oregon Department of Agriculture (ODA)

The Oregon Department of Agriculture works to promote, develop, and expand worldwide markets for Oregon's agricultural products. They work with producers, cooperatives, and processors; organize overseas trade missions; and host inbound foreign business delegates. For more information, Oregon ODA Agricultural Development and Marketing, 503 872-6600; email: agmarket@oda.state.or.us

ODA works very closely with the Western United States Agricultural Trade Association (WUSATA) to help Oregon agricultural food producers' access federal grant funding to participate in global trade shows and missions. WUSATA is an agricultural marketing service. For more information, visit www.wusata.org

ODA also works closely with the Oregon Dairy and Nutrition Council (ODNC) to help Oregon Dairy producers and processors. The ODNC just launched a new export assistance initiative to help small and medium-sized dairy processors with export readiness development and export business mentoring. For more information, visit <https://odncouncil.org>

Small Business Development Center - (Global Trade Center)

Small Business Development Centers (SBDCs) provide a vast array of technical assistance to small and medium-sized businesses and aspiring entrepreneurs, including international business planning. They exist statewide, most often associated with community colleges.

The SBDC Global Trade Center in Portland provide services to help get companies trained to be ready to export, find the right markets, and navigate the waters of global trade. The Portland Global Trade Center serves as the trade resources for the statewide SBDC network. For more information, SBDCs, Global Trade Center, sbdc@pcc.edu; www.pcc.edu/climb/small-business/global/

BUSINESS COUNCILS

Asia

NW China Council

221 NW 2nd Avenue
Portland, OR 97209
Phone: 503 973 5451
www.nwchina.org/

Oregon China Sister State Relations Council

P.O. Box 1274
Portland, OR 97207-1274
Email: info@ocssrc.org
www.ocssrc.org

Japanese American Society of Oregon (JASO)

221 NW Second Avenue, Suite 202
Portland, Oregon 97209
Phone: 503.552.8811
www.jaso.org/

Shokookai of Portland

10700 SW Beaverton Hillsdale Hwy
Beaverton OR 97005
Phone: (503) 644-9579
www.shookookai.org

Mexico

Hispanic Metropolitan Chamber

333 SW 5th Avenue, Suite 100, Portland, OR 97204
Phone 503 222 0280
<http://hmccoregon.com/>

European

British American Business Connections

Oregon Chapter – Richard Biggs
Phone: 206 769 7194
Email: membership@babcpnw.org

Regional Economic Development Partners

Greater Portland, Inc. (GPI)

Export & FDI Initiatives: The Global Cities Initiative (GCI), is an integrated export and foreign direct investment (FDI) activity combined into one plan. This plan replaced the Greater Portland Export Initiative and supports global engagement to realize a stronger regional economy. GPI is engaged with the GCI locally. <https://www.greaterportlandinc.com/>

Port of Portland

The Port of Portland is an economic driver in the region's economy by providing efficient cargo and air passenger access to national and global markets. It plays a major role in facilitating trade for Oregon businesses. The Port owns or manages three airports, four marine terminals and more than 10,000 acres of industrial land.

Non-stop international destinations: Tokyo, Amsterdam, London, Reykjavik, Vancouver, B.C., Calgary, Toronto, Guadalajara, and Puerto Vallarta.

Industry Associations and Business Councils

Local industry associations and business councils also sponsor international trade workshops and conferences that could provide additional opportunities for Clackamas companies' to access export programs, training and services. They also host international delegations and work closely with overseas groups visiting Oregon.

- Pacific NW Defense Coalition -- <https://www.pndc.us/>
- Oregon Entrepreneurship Network - <https://www.oen.org/>
- Softwood Export Council -- www.softwood.org/

Appendix G

International Relations

Diplomatic and International Affairs Networks

Capacity-building for businesses, the community, and Clackamas County staff and officials (e.g., market briefings, cultural trainings, workshops, trade outreach seminars and conference) is an important aspect of any successful international trade strategy.

Oregon is home to various organizations, including a network of international diplomats, which are dedicated to building international connections. These organizations can play an important role in helping make global connections, foster relationships on behalf of Clackamas County firms and county officials, as well as provide cultural insights into foreign markets.

World Oregon

The World Affairs Council of Oregon's mission is to broaden public awareness and understanding of international affairs and to engage Oregonians with the world. <https://www.worldoregon.org/>

Sister City Associations

Sister Cities are citizen diplomacy networks that create and strengthen partnerships between communities in the United States and those in other countries, particularly through the establishment of "sister cities". There are over two dozen individual agreements in Oregon that foster cultural and educational ties. (For Portland, visit <http://portlandoregon.gov/sistercities>)

Oregon Consular Corps and Official Diplomatic Missions

The Oregon Consular Corps is a nonprofit corporation with members who serve or have served within the United States as honorary diplomatic representatives of other nations and foreign jurisdictions. These officials are appointed and are an invaluable resource for both business and cultural ties.

<https://www.oregonconsularcorps.us/members/>

In addition, official diplomatic missions in Portland and Seattle include:

Canada

Consulate of Canada –Seattle
Michael Woolf, Senior Trade Commissioner
Michael.woolf@international.gc.ca
206 443-1777 - general

Republic of Korea

Honorary Consul General Greg Caldwell
Phone: 503 768 7457
caldwell@lclark.edu

Japan

Consul General Takashi Teraoka
Phone: 503 221.1811
www.portland.us.emb-japan.go.jp/

Mexico

Consul General Francisco Maass Pena
Phone: 503 274 1442
portland@sre.gob.mx

Appendix H

Business Etiquette and Cultural Awareness

Gift Giving Practices, Recommendations and Taboos

'Face' is an important concept in Asian society. It roughly translates as 'honor', "good reputation" or 'respect'. It is critical to avoid losing face or causing the loss of face at all times. Public criticism therefore, or putting someone on the spot are absolute "no-nos" in Asia

Asian's will generally refuse a gift politely out of modesty. Therefore, you may have to insist on giving the gift at least three times because for them, readily accepting a gift makes a person greedy. It is also not customary for the gift to be opened in front of the giver to avoid appearing aggressive or ungrateful.

- Gifts are usually offered with two hands and received with two hands.
- Avoid giving overly expensive gifts so they don't feel the need to reciprocate.
- The status of the person receiving the gift should also be considered. You should not give the secretary a gift that is more expensive than the gift for the manager.
- Gifts should be wrapped in appropriate colors. Generally, pastel colors are okay. In China, red is considered a lucky color.
- Avoid gifting a single person when in a group setting (e.g., at a business meeting). Instead, gift the entire group or wait until you are in private to gift an individual.

In Asia, there are certain taboos that should be observed when selecting gifts.

- **Clocks** – This gift is like counting the seconds to the recipient's death.
- **Pears** – Giving fruits is always considered a wonderful gesture, however pears are the exception. The word *pear* sounds like "to separate," "leave," or "part from." Thus, giving pears means you hope that their family will become separated.
- **Umbrella** – The Chinese word for umbrella, *san*, sounds like "loose" or "fall apart." Giving an umbrella to a colleague or business partner, even if in the form of promotional gifts, can make that person feel that your relationship has ended.
- **Handkerchiefs** – These are usually given out at the end of a funeral, it is considered a symbol of saying goodbye to a deceased person.
- **Knives, scissors, sharps** – Offering anything sharp as a gift implies that you intend to cut the relationship with your business partner.
- **Chrysanthemum** – These flowers are used only at funerals or when visiting graves.
- **Green hats** – A green hat means that the wearer's wife is unfaithful.

- **Mirrors** – Mirrors can be broken and broken mirrors are a bad omen.
- **Shoes or Fans** – Both items carry a meaning of the giver wanting the recipient to “hit the road” or leave the business partnership.
- **Anything white, dark blue or black** – These colors are reserved for solemn occasions.

Recommended Oregon Gifts

Gifts that convey Oregon’s natural beauty landscape, local artistry, handicrafts, and specialty food and beverages are all welcomed gifts in Asia, and around the world. Many of these items can be purchased at the Made in Oregon store, Historical Society Gift Stop, and Cultural Trust supported shops. Some specific ideas include:

- Oregon Fine Teas
- Oregon Wines
- Specialty foods: Hazelnuts, Berries, Salmon (freeze-dried)
- Fruit Baskets
- Chocolates and Candies
- Handcrafted wooden boxes
- Historical Photographs
- Pen Sets (usually 2, no red ink),
- Handicrafts (painted, carved, stones)
- Photobooks – Mt. Hood, Willamette Falls, Oregon Scenic Drives

Appendix I

Country Business Etiquette Factsheets

The Asia Pacific, North America and Western Europe regions are important international trade partners for Clackamas County businesses. The following ten country factsheets contain information about gift giving practices, business norms, and social/cultural sensitivities have been prepared as a resource for staff use.

1. Australia
2. Japan
3. People's Republic China
4. Republic of China -Taiwan
5. Socialist Republic of Vietnam
6. Republic of Korea - South Korea
7. Canada
8. Mexico
9. United Kingdom
10. Federal Republic of Germany



AUSTRALIA

GREETINGS

Australians are not very formal so greetings are casual and relaxed.

A handshake and smile suffices. Aussies prefer to use first names, even at the initial meeting.

MEETINGS

Appointments are necessary and relatively easy to schedule. Meetings are generally relaxed; however, they are serious events.

Punctuality is important in business situations. It is better to arrive a few minutes early than to keep someone waiting.

Present your business case with facts and figures. Emotions and feelings are not important in the Australian business climate.

COMMUNICATIONS

Australians are very matter of fact when it comes to business so do not need long- standing personal relationships before they do business with people.

Australians are very direct in the way they communicate. Aussies often use colorful language that would be unthinkable in other countries.

There is often an element of humor, often self-deprecating, in their speech.

BUSINESS CARDS

- Business cards are exchanged at the initial introduction without formal ritual.
- If you are not given a business card, it is not an insult; the person simply may not have one.

GIFT GIVING

Generally, gift-giving is not part of Australian business culture.

But, if you are invited to a home for dinner, it's permissible to bring a token gift of flowers, chocolates, a craft from your home region, or wine. An illustrated book from your home region can be another welcome gift.



JAPAN

GREETINGS

Greetings are very formal and ritualized. Wait to be introduced. It is considered impolite to introduce yourself, even in a large gathering.

It is important to show the correct amount of respect and deference to someone based upon their status relative to your own.

Foreigners are expected to shake hands; the traditional form of greeting is the bow. How far you bow depends upon your relationship to the other person as well as the situation. The deeper you bow, the more respect you show.

MEETINGS

Punctuality is important. Arrive on time for meetings and expect your Japanese colleagues will do the same.

The most senior Japanese person will be seated furthest from the door, with the rest of the people in descending rank until the most junior person is seated closest to the door.

Even if you think you will be meeting one person, be prepared for a group meeting.

COMMUNICATIONS

Saving face is crucial in Japanese society. If a request cannot be agreed to, they will say, 'it's inconvenient' or 'it's under consideration'.

The Japanese rely on facial expression, tone of voice and posture to tell them what someone feels. They often trust non-verbal messages more than the spoken word as words can have several meanings.

Most Japanese maintain an impassive expression when speaking. Frowning while someone is speaking is interpreted as a sign of disagreement.

It is considered disrespectful to stare into another person's eyes, particularly those of a person who is senior to you because of age or status.

BUSINESS CARDS

- Business cards are exchanged constantly and with great ceremony.
- Invest in quality cards. Always keep your business cards in pristine condition.
- Make sure your business card includes your title. Hold the card in both hands when offering it. Business cards are given and received with two hands and a slight bow; Japanese side facing the recipient.
- Examine any business card you receive very carefully.
- During a meeting, place the business cards on the table in front of you in the order people are seated.
- When the meeting is over, put the business cards in a business card case or a portfolio.

GIFT GIVING

Gift-giving is highly ritualistic and meaningful. The ceremony of presenting the gift and the way in which it is wrapped is as important, and sometimes more important, than the gift itself. Gifts are not necessarily opened upon receipt.

Give items in odd numbers, but not 9 (the numbers 9 and 4 are considered unlucky in Japan).



PEOPLE'S REPUBLIC OF CHINA

GREETINGS

Formal with older person greeted first

In business environment, professional titles are used, for instance, Director Wang or General Manager Liu

MEETINGS

Appointments are necessary and, if possible, should be made between one-to-two months in advance, preferably in writing.

If you do not have a contact within the company, use an intermediary to arrange a formal introduction.

Once the introduction has been made, you should provide the company with information about your company and what you want to accomplish at the meeting.

You should arrive at meetings on time or slightly early. The Chinese view punctuality as a virtue.

Arriving late is an insult and could negatively affect your relationship.

COMMUNICATIONS

Chinese non-verbal communication speaks volumes.

Chinese strive for harmony and are group dependent, they rely on facial expression, tone of voice and posture to convey meaning or intention.

It is considered disrespectful to stare into another person's eyes. In crowded situations, the Chinese avoid eye contact to give themselves privacy.

BUSINESS CARDS

- Business cards are exchanged after the initial introduction.
- Your business card should include your title.
- Translate one side of your business card into Chinese using simplified Chinese characters.
- Hold the card in both hands when offering it, Chinese side facing the recipient.
- Examine a business card before putting it on the table next to you or in a business card case.

GIFT GIVING

The Chinese like food and a nice food basket will make a great gift.

Always present gifts with two hands. Gifts are not opened when received.

Four is an unlucky number so do not give four of anything. Eight is the luckiest number, so giving eight of something brings luck to the recipient.



REPUBLIC OF CHINA -TAIWAN

GREETINGS

Greet or introduce the most important person first. If you are in a group, try to assemble in rank order, with the most senior person first.

People are usually addressed by their title and surname. Some Chinese adopt more western names in business and may ask you to call them by that name.

MEETINGS

Meeting schedules are not highly structured in Taiwan. There may be an agenda, but it serves as a guideline for the discussion and may act as a springboard to other related business ideas.

Time is not considered more important than completing a meeting satisfactorily, therefore meetings will continue until the discussion is completed and may extend well past a scheduled end time.

You should arrive at meetings on time or slightly early.

COMMUNICATIONS

Taiwanese are very indirect in their communication and are as concerned with the effect of their words on others as they are with the content of their communication.

Taiwanese value a well-crafted message. Brevity is not particularly valued, especially if it sacrifices something in the delivery.

BUSINESS CARDS

- Business cards are exchanged after the initial introduction.
- Your business card should include your title.
- Translate one side of your business card into Chinese using simplified Chinese characters.
- Hold the card in both hands when offering it, Chinese side facing the recipient.
- Examine a business card before putting it on the table next to you or in a business card case.

GIFT GIVING

Taiwanese like food and a nice food basket or a bottle of good quality alcohol are gifts.

A gift may be refused the first time it is offered out of politeness. Attempt to offer the gift again; however, never force the issue. Present gifts with two hands. Gifts are not always opened when received.

Do not give an odd number of gifts, since odd numbers are considered unlucky. Four is an unlucky number so do not give four of anything. Eight is the luckiest number, so giving eight of something brings luck to the recipient.



SOCIALIST REPUBLIC OF VIETNAM

GREETINGS

Handshakes are used upon meeting and departing. Handshakes only usually take place between members of the same sex.

Some Vietnamese use a two-handed shake, with the left hand on top of the right wrist. Always wait for a woman to extend her hand. If she does not, bow your head slightly.

MEETINGS

Hierarchy and face manifest in different ways within business meetings. For example, the most senior person should always enter the room first.

Relationships are critical to successful business partnerships. Always invest time in building a good relationship based on both personal and business lines.

Any initial meeting, should be solely used as a "getting to know you" meeting.

COMMUNICATIONS

The spoken word is very important. Never make promises that you cannot keep to as this will lead to a loss of face.

Silence is also common where someone disagrees with an opinion; remaining quiet is a way to not cause a loss of face.

BUSINESS CARDS

- Business cards are exchanged after the initial introduction.
- Your business card should be presented with both hands.
- Hold the card in both hands when offering it.
- Examine a business card before putting it on the table next to you or in a business card case.

GIFT GIVING

Business gift giving is fairly common at the end of a meeting or during a meal in honor of your business associates,

Gifts should be small but not expensive.

Gifts with your company logo or something typical from your country both make excellent gifts.



REPUBLIC OF KOREA – SOUTH KOREA

GREETINGS

Bowing is the traditional way to greet in South Korea. Always bow to individuals when departing.

Handshakes often accompany the bow among men; the left hand should support your right forearm when shaking hands. Korean women do not always shake hands and may slightly nod instead of a full bow

It is insulting for Koreans to be touched by someone with whom they are unfamiliar; don't pat them on the back or hug them.

Prolonged, direct eye contact can be inferred as a challenge and is seen as impolite, especially when dealing with others of a higher social standing

MEETINGS

Appointments are necessary and, if possible, should be made well in advance. Arrive punctually and be prepared.

The most senior Korean will enter and be seated first; meeting delegates should be on par with their Korean counterparts – this shows respect and knowledge

Initial meetings are often used in an introductory fashion and business may be instigated later.

COMMUNICATIONS

Ask open ended questions that do not require a yes or no answer as Koreans dislike refusals.

It is considered disrespectful to stare into another person's eyes. In crowded situations, the Chinese avoid eye contact to give themselves privacy.

BUSINESS CARDS

- Business cards are considered important and ritualistic in Korea.
- Translate one side of your business card into Korean.
- Give and receive cards with both hands, with the Korean side uppermost for ease of reading.
- Examine a business card before putting it on the table next to you or in a business card case.
- Never write on or mark the cards you are given.

GIFT GIVING

Koreans are generous people and enjoy giving gifts. Accept the gift with both hands – but never open the gift immediately, wait until the giver is absent.

Return the favour and offer something of a similar value. Koreans enjoy Western gifts and items so be prepared before leaving home. Do not give overly expensive gifts as Koreans feel indebted to give as they receive.

Gifts are often given at the first business meeting and the host should present his first. To reciprocate, give good quality alcohol such as scotch, or desk accessories.



CANADA

GREETINGS

Introduce people in business based on rank not gender. Last names and appropriate titles should be used until invited to be less formal.

In Quebec, it is usual to kiss once on each cheek as they do in France between friends or acquaintances.

Canadians appreciate politeness and expect others to adhere to this protocol. Shake hands with everyone at the meeting upon arrival and departure. Maintain eye contact while shaking hands.

MEETINGS

Meetings begin with a minimal amount of small talk.

Company meetings are used to review proposals, make plans, brain-storm and communicate decisions. Attendees will generally represent a variety of levels and experiences; all are expected to express opinions.

Meetings adhere to time schedules yet are usually informal and relaxed. Anglophones meetings may seem more democratic as all participants will engage and contribute.

Meetings with Francophones, due to a greater emphasis on hierarchy and position, may revolve more around the most senior attendees.

COMMUNICATIONS

The style of communication is essentially pragmatic but will vary between Anglophone and Francophone areas of the country. Francophones tend to be more indirect but more exuberant in their communication styles than Anglophones.

Canadians like their personal space and prefer to be at an arm's length when speaking to someone. They are reticent to discuss their personal lives with business associates.

BUSINESS CARDS

- Although business card culture is fairly informal in Canada, it is best to take the time to look at the card before putting it away.
- It is advisable to have one side translated into French to accommodate French speakers in Canada.

GIFT GIVING

Business gift giving is not typically done between business associates, even during the holidays.

When gifts are exchanged, such as when visiting as a guest's home, gifts are usually opened when received. Do not give cash or money as a present.



MEXICO

GREETINGS

Wait until invited before using a Mexican's first name.

Men shake hands until they know someone well, at which time they progress to the more traditional hug.

MEETINGS

Business appointments are required and should be made at least 2 weeks in advance. Reconfirm the appointment one week before the meeting.

It is important that you arrive on time for meetings, although your Mexican business associates may be up to 30 minutes late. Meetings may be postponed with little advance warning.

Initial meetings are formal. Since the initial meeting is generally with someone of high stature, it is important that your delegation include an upper-level executive.

After the initial getting-to-know-you meeting, the senior executive may not attend meetings or be visible.

Agendas are not common. If they are given, they are not always followed. Have all written material available in both English and Spanish.

COMMUNICATIONS

The right connections facilitate business success. You will be judged by the person who introduces you and changing this first impression is nearly impossible.

Demonstrating trustworthiness, sincerity, and integrity are crucial to building relationships.

Expect to answer questions about your personal background, family and life interests.

BUSINESS CARDS

- Business cards are exchanged during introductions with everyone at a meeting.
- It is advisable to have one side of your business card in Spanish.
- Present your business card with the Spanish side facing the recipient.
- Business cards should contain both your professional and educational qualifications.

GIFT GIVING

Gift giving is not usually a requirement in Mexican business culture. Presenting a small gift, however, will generally be appreciated as a gesture of good will.

If you do want to give a gift, be aware that inquiring about what he or she would like to receive as presents can be offensive.

If you are invited to a home, there is no obligation to bring a gift. If you would like to reciprocate, an invitation out for a meal is often appreciated. If given, gifts are opened immediately and should be reacted to enthusiastically.



UNITED KINGDOM

GREETINGS

The British may appear reserved, but are friendly and welcoming to foreign visitors. Last names should be used with the appropriate title unless specifically invited to use the first name.

The etiquette when greeting is to shake hands with all those present, even children.

At social or business meetings, it is polite to also shake hands upon leaving. Hand-shakes should not be too hearty, just a light friendly touch.

MEETINGS

Always be on time to a meeting if not a bit early. Meetings always have a clearly defined purpose, which may include an agenda. There will be a brief amount of small talk before getting down to the business at hand.

Make certain your presentation and any materials provided appear professional and well thought out. Be prepared to back up your claims with facts and figures. The British rely on facts, rather than emotions, to make decisions.

If you have hosted the meeting then you should send an email summarizing what was decided and the next steps to be taken.

COMMUNICATIONS

The British can have a mix of communication styles encompassing both understatement and direct communication.

Most British are masters of understatement and do not use effusive language. If anything, they have a marked tendency to use 'qualifiers' such as 'perhaps', 'possibly' or 'it could be'.

When communicating with people they see as equal to themselves in rank or class, the British are direct, but modest.

BUSINESS CARDS

- There is no ceremony as to business card giving in the UK. They are usually given at the end of a meeting.
- Do not be surprised if someone writes on your business card.

GIFT GIVING

It is not common for gifts to be exchanged in a business setting.

It is customary to take a small gift for the host if invited to their home. This is usually either a bottle of wine, flowers or chocolates. Gifts are opened on receipt.



FEDERAL REPUBLIC OF GERMANY

GREETINGS

Greetings are formal. A quick, firm handshake is the traditional greeting. In general, wait for your host or hostess to introduce you to a group.

Titles are very important and denote respect. Use a person's title and their surname until invited to use their first name. You should say Herr or Frau and the person's title and their surname.

MEETINGS

Appointments are mandatory and should be made 1 to 2 weeks in advance. If you write to schedule an appointment, the letter should be written in German.

Letters should be addressed to the top person in the functional area, including the person's name as well as their proper business title.

Punctuality is taken extremely seriously. If you expect to be delayed, telephone immediately and offer an explanation. It is extremely rude to cancel a meeting at the last minute and it could jeopardize your business relationship.

Meetings are generally formal and adhere to a strict agenda, including starting and ending times.

Initial meetings are used to get to know each other. They allow your German colleagues to determine if you are trustworthy.

COMMUNICATIONS

Germans do not need a personal relationship in order to do business. German communication is formal. Following the established protocol is critical to building and maintaining business relationships.

Germans display great deference to people in authority, so it is imperative that they understand your level relative to their own. They will be interested in your academic credentials and the amount of time your company has been in business.

Germans do not have an open-door policy. People often work with their office door closed. Knock and wait to be invited in before entering.

Germans will be direct to the point of bluntness. Expect a great deal of written communication, both to back up decisions and to maintain a record of decisions and discussions.

BUSINESS CARDS

- Business cards are exchanged as part of the introduction process. It is not necessary to have the reversed side of the card translated into German.
- It is highly recommended that you include your full title or position, any earned university degrees and professional organizations membership.

GIFT GIVING

A small gift is considered polite, especially when contacts are made for the first time. Do not bring a substantial gift, especially before a deal has been reached. Gifts are usually opened when received.

Appendix J

Clackamas County Foreign Direct Investment Firms

Clackamas County Foreign Direct Investment Firms				2016
Company	Location	Industry/Product	FDI Country	Website
AMCOR	Wilsonville	M&M: Packaging	Australia	www.amcor.com
Chairkit	West Linn	M&M: Ski Lift Chairs	Austria	www.chairkit.com
Helifor Industries	Canby	M&M: Heavy Lift Helicopters	Canada	www.helifor.com
Associated Chemists	Portland/Clackamas	M&M: Chemicals	Canada	http://www.walkerind.com
West Linn Paper Company	West Linn	Wood Products: Paper	Canada	www.sternpartners.com
Mex Y Can Trading (Usa) Ltd.	Clackamas	Logistics: Distribution	Canada	www.mexycan.com
Kone, Inc	Milwaukie	M&M: Elevator & Moving Stairway	Finland	www.kone.com
Gerber Legendary Blades	Clackamas	M&M: Consumer Knives, Multi-Tools	Finland	www.fiskarsgroup.com
Coface North America Inc	Clackamas	Professional Services: Insurance	France	www.coface.fr
Hanson Pipe & Precast	Tualatin	M&M: Concrete Pipes	Germany	www.heidelbergcement.com
Seepex	Clackamas	M&M: Industrial Pipes	Germany	www.seepex.com
RHI AG Group	Clackamas	M&M: Refractories	Germany	www.rhi-ag.com
Carl Zeiss Vision Inc.	Clackamas	High-Tech: Optical Care Manuf.	Germany	www.zeiss.com
Osram Sylvania Inc.	Clackamas	Consumer Products: Light Fixtures	Germany	www.osram.com
BASF	Portland/Clackamas	High-Tech: Optical Sensors	Germany	www.basf.com
Siemens Mobility	Lake Oswego	High- Tech: Transportation	Germany	www.siemens.com

Otto Group	Portland/Clackamas	Retail: Furniture & Accessories	Germany	www.ottogroup.com
Micro Systems Engineering Inc	Lake Oswego	High-Tech: Medical Devices	Germany	www.biotrionik.com
Mentor Graphics	Wilsonville	High-Tech: Software	Germany	www.mentor.com
Oregon Scientific	Tualatin	High-Tech: Electronic Products	Hong Kong	www.idthk.com
Pearle Vision	Clackamas	Retail: Eyewear	Italy	www.luxottica.com
Shimadzu	Canby	High-Tech: Medical Equipment	Japan	www.shimadzu.com
IHI Group	Wilsonville	M&M: Industrial Coatings	Japan	www.ihico.jp
Toyota Lift Northwest	Clackamas	M&M: Industrial Equipment	Japan	www.toyota-tsusho.com
Okada America, Inc	Clackamas	M&M: Construction Equipment	Japan	www.okada-aiyon.com
Pacific Nutritional Foods, Inc.	Tualatin	Ag & Food Processing	Japan	www.morinaga.co.jp
Morii Foods, Inc	Lake Oswego	Ag & Food Processing	Japan	www.morii-foods.co.jp
Snow Brand Seed, USA	Portland/Clackamas	Ag & Food Processing	Japan	www.daiwair.co.jp
Sumitomo Corporation, America	Lake Oswego	Ag & Food Processing: Grain, Food	Japan	www.sumitomocorp.co.jp
OMIC International	Portland/Clackamas	Ag & Food Processing: Food Inspection	Japan	www.omicnet.com
Nana America, Inc.	Clackamas	Wood Products: Lumber	Japan	(503) 659-6040
Bosley Inc.	Lake Oswego	Health Care: Hair Restoration	Japan	www.aderans.com
Zeon Chemicals	Lake Oswego	High-Tech: Chemicals	Japan	www.zeon.co.jp
Daito Electron Co., Ltd.	Wilsonville	High-Tech: Tech Service/Production	Japan	www.dtc-daitron.com
International Flat Cable (IFC)	Lake Oswego	High-Tech: Flat Cable Laminating	Korea	http://ifcw.en.ec21.com/

Genlyte Thomas Group Llc	Portland/Clackamas	Consumer Products: Lighting	Netherlands	www.philips.com
Sandvik, Inc	Oregon City	Health Care: Medical Supplies	Sweden	www.sandvik.com
The Portland Group, Inc.	Lake Oswego	High-Tech: Software for parallel computing	Switzerland	https://www.pgroup.com/
Te Connectivity	Wilsonville	High-Tech: Medical Technology	Switzerland	www.tyco.com
Bunzl	Clackamas	Wood Products: Paper Broker & Mill Rep	United Kingdom	www.bunzl.com
Innovative Cereal Systems	Wilsonville	Ag & Food Processing: Baking Goods	United Kingdom	www.abf.co.uk
Meggitt PLC	Milwaukie	High-Tech: Aerospace, Defense, Energy	United Kingdom	www.meggitt.com

Sources: *Brookings Institution, Greater Portland, Inc., Bureau of Economic Analysis*

Appendix K

International Trade Shows and Recommendations

The information below highlights the importance of international trade shows for businesses engaged in international commerce.

Annually there are thousands of trade shows and exhibitions held in over 70 countries. General estimates indicate that about 60 percent of global trade shows occur in Europe, 10 percent in the US, 20 percent in Asia, with the balance taking place in the Middle East, South America and Africa. The US Department of Commerce, through its *Global Markets* program, supports a number of these shows around the globe offering reduced participation fees for US exporters.

The US Department of Commerce also sponsors *Discover Global Markets* events in the United States. US Commercial Service diplomats often attend these events to talk about the opportunities in their respective countries. One-on-one individual counselling sessions with these diplomats are also part of the value of these events.

Each year, the US Commercial Service of the US Department of Commerce, supports a variety of US based trade shows and exhibitions by including them in its *International Buyer Program*. This program recruits qualified foreign buyers, sales representatives, and business partners to the larger domestic trade shows each year, giving exhibitors excellent opportunities to expand business globally while attending the key domestic events in their industries.

Information about trade shows and events can also be found from trade associations, chambers of commerce, online trade exhibition directories, and consular/embassies contacts.

Trade missions are another way that companies can elect to check out business opportunities by participating as delegation members on international trips often led by government officials and business leaders who are hosted by national governments for the purpose of exploring joint international business opportunities. The US Department of Commerce organizes dozens of these missions annually. Business Oregon will also organize small missions to targeted shows and markets.

Helpful Resources for identifying Tradeshow, Exhibitions, and Trade Mission

US Department of Commerce, International Trade Administration

- Global Events at <https://www.export.gov/Events>
- US Commercial Service Portland <https://export.gov/oregon/>

Business Oregon

- Global Trade Shows and Missions <http://www.oregon4biz.com/Global-Connections/Missions/>
- Export Grant Promotion <http://www.oregon4biz.com/Global-Connections/Export-Promotion/>

Reed Exhibitions

- Leading global industry events organizer, with over 500 events in 41 countries, and a staff of 3000 exhibition specialists. <http://www.reedexpo.com/>

TRADE SHOW RECOMMENDATIONS (Notional)

Food & Beverage Mfg	Natural Products West Expo - Anaheim National Restaurant Show - Chicago
Adv. Mfg. --Aviation/Defense	Singapore Airshow Farnborough International Airshow Aircraft Interiors Expo –Hamburg
Adv. Mfg. – Metals & Machinery	Adv. Mfg Hannover Messe
Sporting Goods, Outdoor	IWA & Outdoor Classics - Germany
Media and Publishing	New York Book Fair – London Book Fair-
Adv. Mfg. – Wood Products	International Wood Working Fairs (IWF) 2020 – Atlanta
Adv. Mfg. – Automotive	Automotive Aftermarket Products – Las Vegas

Appendix L

Clackamas County Business & Economic Development Department's International Trade Website

Valuable Resource Guide Links

[US Government Export Trade Portal](#) US Government Export Portal featuring international market research, online tutorials on exporting, information on international business development programs and services trade events, and other helpful links.

[Trade Information Center](#) Trade Information Center of the US Department of Commerce. A wealth of useful information including Tariffs and Taxes, NAFTA, Country Information and documentation guidance.

[Top Market Reports](#) Helps exporters determine their next export market by comparing opportunities across borders. Each report ranks future export opportunities within a particular industry based on a sector-specific methodology. The report provides a detailed assessment of the competitive landscape within a sector, as well as the opportunity and challenges facing US exporters in key markets.

[Gold Key Matching Service](#) Save time and money by letting the U.S. Commercial Service help you find a buyer, partner, agent or distributor. The Gold Key Service provides you with one-on-one appointments with pre-screened potential agents, distributors, sales representatives, association and government contacts, licensing or joint venture partners, and other strategic business partners in your targeted export market.

[US Commercial Service Catalog Events](#) Looking for an affordable, low-risk way to promote your products and services in promising markets around the world? Increase your company's international sales potential by showcasing your products and services with the International Catalog Exhibition Program.

[Trade Missions](#) Meet face-to-face with prescreened international business contacts in promising markets with U.S. Commercial Service trade missions. Trade missions save you time and money by allowing you to maximize contact with qualified distributors, sales representatives, or partners in one to four countries.

[National District Export Council](#) National District Export Council is an organization that represents 1300 core companies in the 60 District Export Councils in the United States.

[District Export Council of Oregon](#) is a national organization that provides a variety of export-oriented services to businesses in Oregon and southwest Washington.

[US Small Business Administration – Export Programs](#) SBA's international website for Oregon. Site includes Export Finance assistance and a guide to many other local and global web resources.

[Official Export Guide](#) Tips for competitive terms in Global Markets: The U.S. Small Business Administration has help for small exporters.

[Trade Finance Guide: A Quick Reference for U.S. Exporters](#) This guide is designed to help US companies, especially small and medium-sized enterprises (SMEs), learn the basic fundamentals of trade finance to turn their export opportunities into actual sales and to achieve the ultimate goal: to get paid for their export sales, especially on time. This guide provides general information about common techniques of export financing.

[International Credit Reporting Organizations](#) This document is a listing of credit reporting organizations including: local, international, transportation, consumer and commercial, and business credit agencies.

[Business Oregon Trade Promotion Grants](#) International Trade Services section helps small- and medium-sized Oregon businesses to expand exports by using the team's expertise and global network of contacts, including Oregon's own overseas representatives based in Asia and Europe.

[International Trade "Compass Point"](#) Provided by the Oregon Small Business Development Center Network (OSBDCN), this website, once registered, will allow the user access to numerous resources regarding exporting, importing, trade events, international trade organizations, NASBITE Certified Global Business Professional certification, articles, books and other international information.

[Oregon Exports, Jobs, and Foreign Investment](#) This document outlines the positive impact that exporting and export-related activities have on the Oregon Economy. Gives statistics on Oregon Exports and the effect of Foreign Investment on Oregon jobs, and growing export markets for Oregon Exporters.

Appendix M

International Trade Data – Data Resources

The Census Bureau provide reports and tables on commodity flows to overseas markets, as well as imports into the US at www.census.gov/.

- International trade and jobs data are available from the U.S. Department of Commerce, International Trade Administration via Trade Stats Express at <https://tse.export.gov/>
- Export Monitor 2017 is a trade tool developed by the Brookings Institute as part of its Export Initiative, and makes available some county level data at <https://www.brookings.edu/research/export-nation-2017/>

Comprehensive international trade data below the state level (i.e. county) is not readily available publicly. For detailed county level information an investment in private subscription services would be required. Wisser Trade, IHS Markit, PIERS, and Datamyne are vendors that can provide verified detailed data information about exporters and importers by company, market designations, trade volume, and containers. These subscriptions can range from 5K to 25K annually.

- World Institute for Strategic Economic Research (WISER) Trade is a private vendor that provides international data on global trade flows and analytical trend reports. <http://www.wisertrade.org>
- The Port Imports/Export Reporting Service (PIERS) is the leading provider of import and export data at the detailed, bill of lading level, which captures US waterborne cargo activity exclusively. The bill of lading data is verified, analyzed, and synthesized with supplementary data sourced from the United Nations, [US Census](http://www.census.gov), Dun & Bradstreet, and direct international country sources. www.piers.com
- Datamyne offers access to databases of import trade data, export data, trade intelligence data and international trade statistics. <http://www.datamyne.com/>



Clackamas County Global Trade Activities

**Business and Community Services,
Economic Development Division
May 21, 2019**

Laura Zentner, BCS Director

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Presentation Overview

- Background - China Sister County Agreement
- Global Trade Data
- Global Trade Benefits
- Global Trade Strategy and FY 19/20 Work Plan
 - *Global Trading Partners*
 - *China Sister County Agreement*
- Funding
- Options/Recommendation



Background - China Sister County Agreement

- November 2016 – signed Sister County agreement with Guanyun County
 - *To achieve mutually beneficial and long-term cooperation, the parties agree to set up a platform for the exchange of enterprises.*
 - *To facilitate an open investment environment, the parties agree to collaborate in ventures related, but not limited, to the overall economy, trade, culture, education, science and technology.*
 - *To ensure maximum benefit of the platforms and exchanges detailed above, the parties agree to promote specific investments in enterprises from both parties.*
 - *In order to continually enhance the understanding and friendship between their respective peoples, the parties will actively promote the establishment and development of civil contact and friendly relationships between their peoples.*
 - *The leaders and the relevant departments of each party agree to maintain regular communications related to opportunities for exchange and cooperation.*

Global Trade Data

- Oregon exported \$16.2 billion in 2017 to the top 10 export countries.
- Oregon imported \$15.5 billion in 2017 from the top 10 import countries.
- Job estimates indicate approximately 87,023 US jobs were supported by goods exported from Oregon in 2015 (latest year available).
- Clackamas County exporters contributed more than \$1.2 billion to the Metro area's global exports in 2016.



69 Global Trade Data – Top Export Markets for Clackamas County Industries

Industry Clusters	Top Target Markets				
Ag & Food Production	Japan	Canada	China	Australia	Vietnam
Nurseries/Greenhouses	Canada	Mexico	Peru	China	Spain
Metals & Machinery	China	Canada	Japan	South Korea	United Kingdom (UK)
High-Tech	Canada	Germany	UK	France	Netherlands
Wood Products	Japan	Canada	Guatemala	China	Brazil
Food Processing Mfg.	Canada	China	Germany	Philippines	Mexico
Software, Media,	UK	China	Germany	Italy	Turkey

¹ Select USA Fact Sheet, US Bureau of Economic Analysis, July 2017

² Atlantric Study, Industry Supply Chain Analysis, 2013

³ Several data sources used in this cluster analysis: FCS Group, US Census, International Trade Administration Trade Stats Express and Atlantric Study, Industrial Supply Chain Analysis.

Global Trade Benefits



- Aligns with BCC Strategic Priority of Growing a Vibrant Economy.
- Creates jobs in Clackamas County.
- Improves the County's international competitiveness by expanding the exports of goods and services.
- Increases opportunities for Foreign Direct Investment.
- Creates strong international relationships with leaders and businesses.

Global Trade Strategy and Work Plan (FY 19/20)

- Expand Global Trade connections to a broad range of countries.
- Bring on a part-time position in Economic Development to:
 - *Focus on data mining of our key clusters*
 - *Build out website to include Global Trade resources for businesses*
- Survey 25 businesses to assess Global Trade needs.
 - *Partner with Clackamas Community College representatives to include international trade as a topic of discussion in business outreach efforts.*
- Participate in an International Trade Show and/or delegation visit to one key trade partner (e.g., Japan, Germany, Canada, UK).
- Host export event in Clackamas County to showcase tools and resources.
- Leverage strategic partnerships:
 - *Business Oregon, Greater Portland Inc., SBDC Global Trade Center, Clackamas Community College Connections with Business & Industry*
- Evaluate activities and results at the conclusion of the fiscal year.



Global Trade Strategy and Work Plan (FY 19/20)

- Sister County Agreement
 - *Sponsor the Annual Oregon China Council meeting on July 26, 2019 (\$2,500).*
 - *Host two inbound delegation visits, as requested.*
 - *No anticipated outbound delegation visits for fiscal year 2019/2020.*
 - *Gifts for delegation members.*



Funding

- \$75,000 via lottery funds for pilot program (included in fiscal year 2019/2020 budget)



Questions?