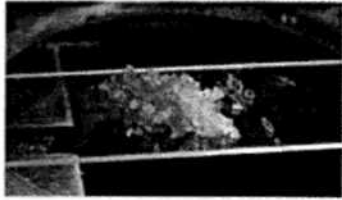


MICHIGAN ECONOMIC DEVELOPMENT CORPORATION
MichiganAdvantage.org



MICHIGAN
ECONOMIC DEVELOPMENT CORPORATION
THE UPPER HAND



Michigan Economic Development Corporation International Business Development

Presented by:

**Deb Dansby, Chief Operating Officer
Cindy Douglas, VP Business Development**

March 5, 2010

History of International Presence

- Since 2000, MEDC physical offices have supported the following locations:

Location	Final Year Operating Cost	Closure Date
China/Hong Kong	\$250,000	Open
Mexico/South America	\$166,000	2005
Japan	\$120,000	1999
Canada/South Africa (shared)	\$91,000	2003
Europe		1999

Historical Perspective Regarding International Outreach

- Physical presence for trade and export assistance in emerging economies
- Most economic development and export missions were coordinated through MEDC offices
- Offices provided trade and export assistance with limited or no investment services

What Changed

- Funding continued to decrease
- Closed physical offices in Japan, Canada, Europe, and Mexico
- Economic development investment and trade missions became decentralized resulting in loss of state brand and overall coordination
- Michigan's economy took a dramatic decline in late 2008, and continues today
- No demonstrable ROI – export services declined

MEDC's Business Development Strategy

- MEDC's 2007-2010 strategic plan called for a focus on diversification of Michigan's economy
- Based on research and data gathering, the MEDC targeted specific industries that would:
 - Leverage Michigan's strengths and assets
 - Provide diversification opportunities to Michigan businesses
 - Bring Michigan to the forefront of the emerging sectors

MEDC's Business Development Attraction Strategy

Our **national and international** outreach is determined by the location of the businesses or technologies necessary to launch or grow a targeted industry or fill voids in their value chains

We focus on investment opportunities only (we do not currently focus on trade/export assistance)

MEDC's Business Development Attraction Strategy

- Targeted Sectors
 - Solar
 - Wind
 - Advanced Energy Storage
 - Bio-Energy
 - Water
 - Advanced Materials

Resources Allocated

- Five independent contractors with attraction expertise in Europe, Asia (Japan and China), Israel, and Sweden
- Six cross functional teams focused on:
 - Solar
 - Wind
 - Advanced Energy Storage
 - Bio-Energy
 - Water Solutions
 - All other
- Physical office in China

Current Successes

	Job Creation Projection	State Investment	Federal Investment	New Business Investment	State Leverage Ratio
Advanced Energy Storage	54,237	\$1.48 Billion	\$1.96 Billion	\$5.70 Billion	\$5.18
Solar	21,592	\$766.6 Million	\$159.7 Million	\$2.81 Billion	\$3.87
Wind	4,715	\$57.7 Million	\$39.3 Million	\$132.1 Million	\$2.97
Bio – Energy	1,236	\$111.6 Million	\$48.2 Million	\$226.1 Million	\$4.48

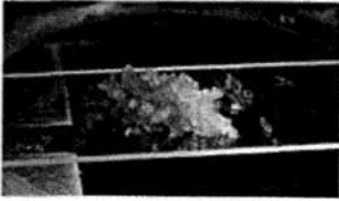
Federal Resources

- U.S. Dept. of Commerce has larger than normal presence in Michigan – 4 locations
 - Detroit
 - Pontiac
 - Grand Rapids
 - Ypsilanti
- Most states have 1 location at capital city
- State services would duplicate effort

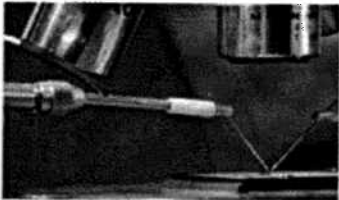
Current Challenges

- Outreach is still decentralized
 - No overall coordination and communication of Michigan investment and trade missions (i.e. “control tower”)
 - Loss of common state branding and overarching message
 - No current state-wide inventory of international outreach
 - Prospects confused
- Limited funding for National and International business development attraction efforts
 - Decentralized model will continue
 - Continue to leverage, not duplicate federal services

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION
MichiganAdvantage.org



MICHIGAN
ECONOMIC DEVELOPMENT CORPORATION
THE UPPER HAND



Michigan Economic Development Corporation International Business Development

Questions?