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Baldacci pushes trade initiative as exports rise

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AUGUSTA, Maine — Last year Maine exports dropped by over 24 percent, but in the first three months of this year they were up by 20 percent, and Gov. John Baldacci believes they will continue to increase under initiatives by both the state and federal government.

“With the president’s initiative on international trade, particularly with small businesses, I think you will see Maine businesses continuing to diversify into international trade,” Baldacci said Wednesday. “I am involved, and the NGA [National Governors Association] is involved in pushing for a greater effort in exports.”

President Barack Obama has called for a doubling of U.S. exports over the next five years, a move he said would generate 2 million jobs. To help achieve that goal, the president’s budget calls for increased federal trade advocacy through the hiring of 328 new trade experts to assist small and medium companies in dealing with clients in other nations.

“Ninety-five percent of the world’s customers and the world’s fastest-growing markets are outside our borders,” Obama said in a speech last March. “We need to compete for those customers because other nations are competing for them.”

The president also has proposed expansion of Small Business Administration loan programs and strict enforcement of international trade laws as part of his trade plan to help remove barriers that hinder access to foreign markets.

“We shouldn’t assume that our leadership is guaranteed,” Obama said. “When other markets are growing, and other nations are competing, we’ve got to get even better.”

Baldacci agreed and said he will be launching an initiative to take advantage of the expanded federal help as soon as Congress acts on the president’s budget. He said the state also is preparing a specific initiative built around renewable energy wind production power efforts at the University of Maine that has been under development for months.

“It’s not going to be just the big businesses doing international trade — it’s going to be more and more small companies like LaBree’s Bakery up in Old Town,” Baldacci said. “They went on one of our trade missions to Canada and were very successful.”

He said the company found markets in Canada for a number of their bakery products and continues to increase sales to Canada. Maine's largest trading market is Canada, followed by Malaysia and China.

In 2009, Maine exported \$2.2 billion even though exports were down 24.4 percent. In the first quarter of 2010 there were large increases in pulp — up 200 percent — and paper industries up 73 percent.

Janine Carey, the state's director for international trade said the increase in exports is good news, and she believes the Obama administration's efforts will help the state. But, she said, many factors outside of government could impact efforts to increase exports from the U.S.

"A lot depends on what goes on with worldwide economies," she said. "I am a little bit troubled with what is happening right now to the euro. As the dollar becomes more expensive against the euro and other different currencies, it makes it more difficult for our exporters."

Carey said that like the United States, most economies are dependent on consumer buying to trigger growth. She said the state is positioned to take advantage in several consumer driven market areas such as an increase in demand for electronics.

She said meeting the president's goal of doubling exports in five years will be a challenge for the state but not an impossible goal. She said some export areas are more developed than others where companies are just thinking about the possibilities on international markets.

She said Maine now sells to 167 countries, and the number continues to grow. For the state to hit the target of doubling exports it will need some of the larger companies to have significant growth along with companies exporting for the first time, she said.

The Maine International Trade Center hosts the annual trade day conference in Rockport today. Carey serves as president of the organization.