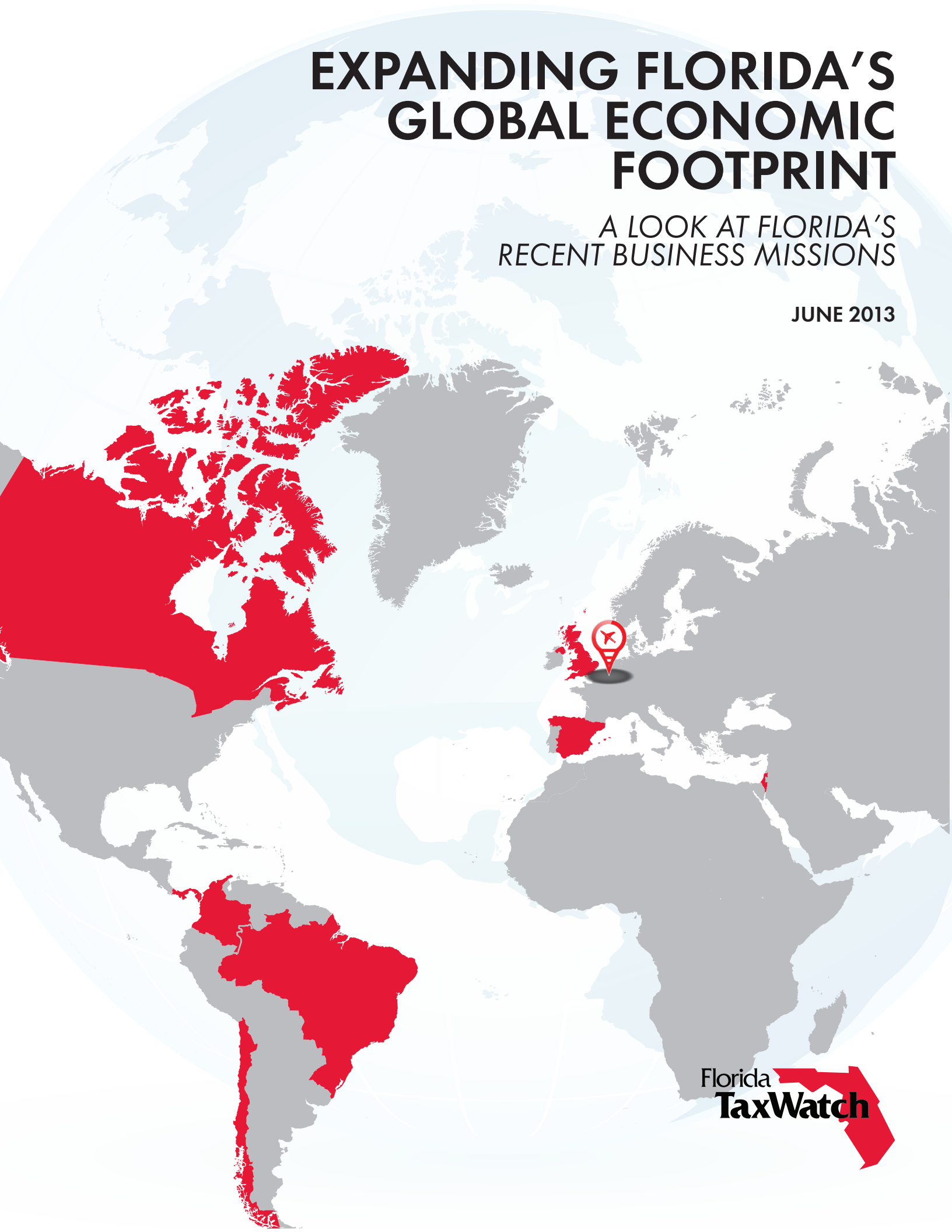


EXPANDING FLORIDA'S GLOBAL ECONOMIC FOOTPRINT

A LOOK AT FLORIDA'S
RECENT BUSINESS MISSIONS

JUNE 2013



■ FLORIDA BUSINESS MISSIONS

The state of Florida offers a truly unique environment for international trade, foreign direct investment, and international tourism. Florida is the sixth-largest exporter in the nation, ranks sixth in job creation by foreign-controlled companies, and is one of the most visited states by international visitors. According to the Office of the Governor, international trade and foreign investment combined currently provide over 1.4 million jobs to Floridians.

Since 2009, Florida-origin exports have grown from \$46.9 billion to a total of \$66.2 billion in 2012. What is significant about Florida exports is that small and medium-sized enterprises (SMEs) make up 68 percent of the total. This is double the national average, and the highest of any state in the nation. Many of these SMEs do not have professional staff to help explore opportunities to increase exports.

For this reason, it is important for our state leaders to help Florida businesses reach out to foreign markets and connect with businesses that may be interested in establishing offices in the Sunshine State. One way of accomplishing both goals is to organize official business missions to foreign markets.

There are two main types of official business missions that Florida engages in. These are trade missions and business development missions. Trade missions are the most common type, and are characterized by a significant number of businesses from various sectors and sizes traveling to a country to meet potential business partners to develop export opportunities.

Business development missions are opportunities for Florida companies to pursue foreign direct investment in Florida, and to discuss both trade and investment with companies in the host country. They are also a great opportunity for Florida officials to discuss the benefits for companies that do business in Florida.

Small companies are encouraged to participate in the missions to start building up a client base abroad. Yet, given that the costs have to be incurred by participants (see box on p.4), some of the smaller

and starting companies may have difficulty paying the fees. Some companies have been able to use State Trade and Export Promotion (STEP) grants, which are Federal funds designed to help companies with export diversification. These are offered to companies in manufacturing, high-tech, and high-value services such as engineering. The companies must be located in Florida and produce their products or services in Florida.

Enterprise Florida applied for and received funds to help Florida companies through this program. The first year, \$780,786 was received and was used for matchmaking and to help with costs of displaying at various exhibitions. The second year, \$1.1 million was received. Unfortunately, this program will not be funded for a third year at the federal level; however, the Florida Legislature had the foresight to fund the program in FY2013-14.

One of the top features of many of these trade and business development missions are the one-to-one business meetings with partners set up by the U.S. Embassies through their Gold Key Matching Services. These services allow for business leaders to meet with pre-screened business representatives, distributors, professional associations, and government contacts in the host country.

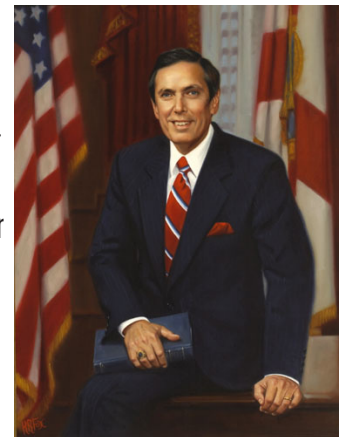
Another key feature of the Florida business missions is the fact that Florida's Governor often leads the group. According to Manny Mencia, Senior Vice President and Chief Operating Officer of the International Trade and Business Development Unit of Enterprise Florida, Inc., "The Governor's leadership in a trade mission ensures that the Florida companies who participate will have access

to the high-level decision makers and that the state of Florida will receive a significant amount of attention from the host country, especially the media. This provides a platform for Florida's trade mission participants to meet the right people and for promoting Florida as an ideal destination for trade and investment."

Following similar goals to those of Florida, business leaders across the nation often embark on trade missions led by their state's Governor. For instance, Governor Quinn from Illinois recently led a mission to Mexico, and has also led groups to Canada, Brazil, China and Japan. Colorado's Governor Hickenlooper traveled to Panama last month to promote Colorado businesses, and Maine's Governor LePage plans to lead missions to Latin America this Fall.

“While serving as Governor of Florida and Mayor of Tampa, I was involved with trade missions to ten countries. The countries were in Central America, Caribbean, South America, Western Europe and Israel. It's important for the chief executive officer of the state or city to participate in trade missions. High visibility public officials are a major attractor for meetings and events. They bring synergy to the mission.

Out of the window of my Tampa high rise office I see the fruits of a trade mission to England that brought a financial service company to our community. My most recent international visit was to Bogota, Colombia with Governor Rick Scott and Tampa Mayor Bob Buckhorn in December 2012. The Bogota meetings and events organized by the Governor's team were outstanding. Holland and Knight, LLP Bogota office hosted one of the evening receptions for Governor Rick Scott's trade mission and the local business community.



- GOVERNOR BOB MARTINEZ

MEMBER, FLORIDA TAXWATCH BOARD OF TRUSTEES
& ADVISORY BOARD MEMBER, TAXWATCH CENTER FOR COMPETITIVE FLORIDA

EXPORT MARKETING PLANS

Besides arranging business missions for Florida companies, another service provided by Enterprise Florida is the development of Export Marketing Plans for Florida companies who want to increase their exports. This process utilizes Florida's Small Business Development Centers (SBDCs) to help develop a company-specific marketing plan that identifies opportunities for the Florida company. The SBDCs, which are located throughout the country, are funded by a unique collaboration of the U.S. Small Business Administration (SBA) federal funds, state and local governments, and private resources. There are more than 20 SBDCs located throughout Florida, many of them located on the campuses of state universities and colleges, including: University of Central Florida; Brevard Community College in Melbourne; University of North Florida; University of South Florida; Florida Gulf Coast University; Florida A&M University; and the University of West Florida.

SUCCESS STORIES

Many companies have had good experiences and favorable outcomes with the business missions. Participants have reported benefitting from the missions in terms of closed deals, new partners, new distributors, and increased exports.

According to **ERIC SILAGY**, President of Florida Power & Light, "these trips are exceptional opportunities to showcase everything Florida's economy has to offer – from seaport infrastructure and affordable, reliable energy to great schools and a talented, diverse workforce."

EDGARDO RODRIGUEZ, Director of Sales and Marketing for Hernon Manufacturing, Inc. in Sanford, Florida, who participated in the Brazil trade mission stated that "the overall results from participating in the trade mission were better than we expected. We went to Brazil expecting

ATTENDEES PAY THEIR OWN WAY

Florida Business Missions are organized by Enterprise Florida. Mission applications are limited, and work on a first-come, first-served basis for those companies meeting the eligibility criteria. Applicants pay a registration fee that covers the costs of translators, airport transfers and ground transportation to the events, as well as seminars, receptions, and other official events. The most recent mission to Chile had a \$650-\$900 registration fee per person.

For those wanting help to meet foreign-based companies during the mission, participants also pay for being set up with meetings with companies that have been matched to their needs. Attendees typically pay around \$900 to \$1,700 for meetings with their matched companies, depending on whether the mission is to one or two markets. Companies are also responsible for their own airfare and lodging during the trip, and any meals that are not sponsored.

to close a couple of deals, but actually ended up signing an agreement with a partner. We expect over \$1 million in sales coming in the next year or two as a result of the mission. Interestingly enough, one of the Florida participants in the mission later became our distributor. In addition, exports improved after participating in the mission, to the point where we won both SBA's State and Regional Exporter of the Year awards."

DANIEL BITTNER, Managing Director for Concept II Cosmetics, LLC, participated in the mission to Colombia and commented, "The mission to Colombia was a great event and a perfect one to foster business relationships between manufacturers and distributors. The mission allowed us to better understand the market needs in Colombia and to meet distributors that had interest in carrying U.S.-made products. We were successful

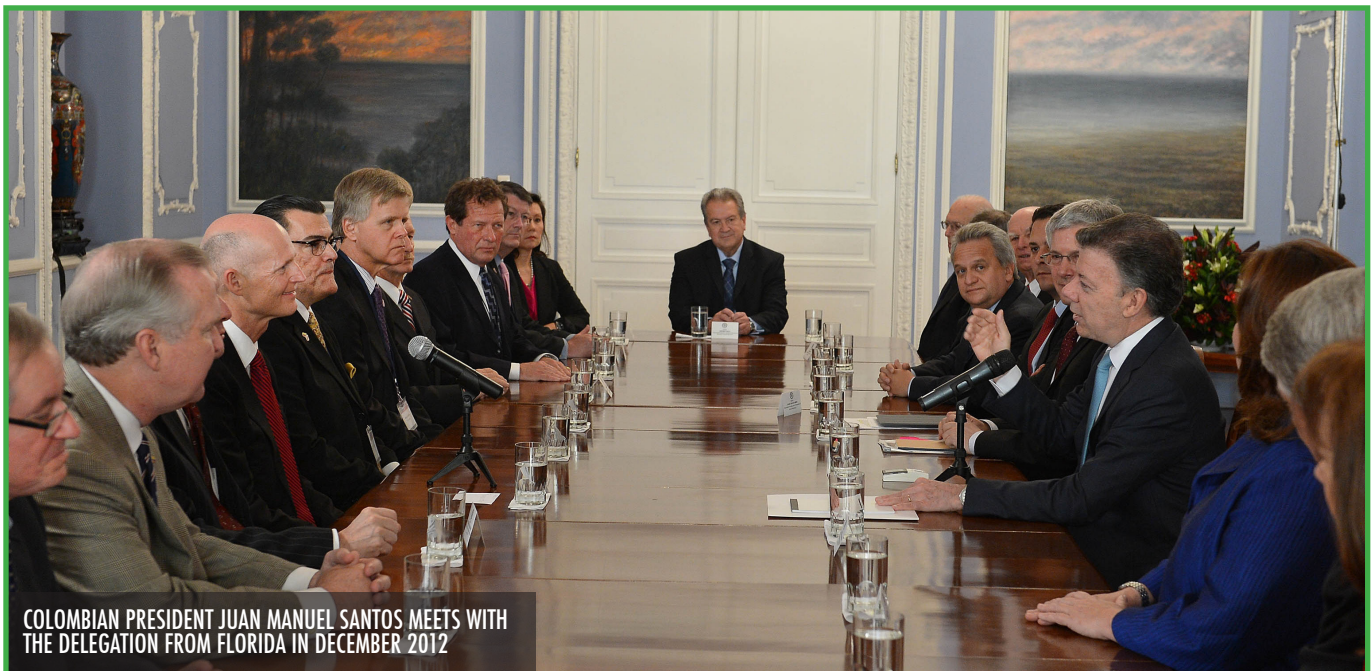
in closing a distribution agreement with a company that covers the whole territory. Understanding the registration process also helped us support them to be able to get the proper authorization to commercialize our products in the market. Lastly, the organization of the mission was impeccable, from the bookings to the meetings to the networking events, all the details were taken into consideration. We will definitely repeat it if we have the opportunity.”

During Florida’s trade mission to Colombia, a group of 34 individuals expanded their trip outside Bogota and visited Barranquilla – a port town on the Caribbean coast of Colombia. This mission led to a 2013 visit of about 11 business and government leaders from Barranquilla to North Florida last month. The group was hosted in Tallahassee by Holland & Knight. Besides visiting Tallahassee, the group visited Port St. Joe and the port of Panama City. Members of the group indicated that they were concentrating on

developing business ties from Tampa to Panama City – that although there were other Florida ports closer to them, these ports were well-suited to trade with the port of Barranquilla.

ALBERTO VIVES, Director of the Industrial Association of Colombia (ANDI), was part of the Barranquilla delegation to Florida, and said that they were treated with “hospitality and professionalism.” He commented on the commercial, educational and governmental opportunities that existed for both North Florida and Barranquilla. He also commented on the further opportunities available through the Free Trade Agreement between U.S. and Colombia, and through the use of the Colombo American Chamber of Commerce (AMCHAM Colombia) and the Florida Chamber of Commerce.

IN THE WAKE OF OUR STATE’S GOAL OF DOUBLING FLORIDA-ORIGIN EXPORTS, THESE BUSINESS MISSIONS SHOULD BE SEEN AS OPPORTUNITIES TO SOLIDIFY FLORIDA’S RELATIONSHIP WITH ITS CURRENT TRADING PARTNERS, TO SEARCH FOR NEW CLIENTS IN UNTAPPED MARKETS ABROAD, AND HELP CREATE JOBS.



COLOMBIAN PRESIDENT JUAN MANUEL SANTOS MEETS WITH THE DELEGATION FROM FLORIDA IN DECEMBER 2012

THE FOLLOWING PAGES CONTAIN INFORMATION ON THE ECONOMY AND TRADE OF EACH OF THE EIGHT COUNTRIES THAT GOVERNOR SCOTT AND THE DELEGATIONS HAVE ALREADY VISITED, AS WELL AS A PREVIEW OF THE MISSION TO THE INTERNATIONAL PARIS AIR SHOW, LEAVING FLORIDA THE WEEK OF JUNE 17, 2013.



PANAMA

QUICK FACTS

POPULATION 3.57 Million

CAPITAL CITY Panama City

LARGEST CITY Panama City

OFFICIAL LANGUAGE... Spanish

CURRENCY U.S. dollar, Balboa

EXCHANGE RATE* Pegged to U.S. dollar

GDP GROWTH ⁽²⁰¹¹⁾ 10.6%

**TRADE-WEIGHTED
AVG. TARIFF RATE** 7.6%

DESTINATION FOR FLORIDA-ORIGIN EXPORTS **#13**

ORIGIN OF FOREIGN VISITORS TO FLORIDA **#19**

TOP 5 IMPORTS FROM FL Computers & Electronic Products
Machinery, Except Electrical
Chemicals
Transportation Equipment
Food & Kindred Products

TOP 5 EXPORTS TO FL Fish & Other Marine Products
Primary Metal Manufacturing
Agricultural Products
Waste and Scrap
Computer & Electronic Products

ABOUT PANAMA

“Bridge of the world, heart of the universe.” It is not in vain that the Republic of Panama has been given this motto, as it is located in a strategic geographical area, joining both North and South America, and the Atlantic and Pacific Oceans through its Canal. The Panama Canal is of great importance to both the Panamanian and the world economy, as it serves more than 144 maritime routes, connects 160 countries, and reaches approximately 1,700 ports in the world. About 13,000-14,000 vessels transit the Canal every year.

Panama is an important regional banking hub, and is also home to the second largest duty free trade zone in the world: the Colon Trade Zone. The Zone houses about 1,751 companies and receives approximately 250,000 visitors per year.

The Panamanian economy is the fastest growing economy in Latin America, according to the International Monetary Fund. Its double-digit growth has been now sustained for two straight years, given the boom in construction and transportation tied to the

expansion of the Canal, a steady rise in private investment, and large public infrastructure projects.

Panama is expected to continue its robust growth in the near future, as the canal expansion is close to being completed. There are several mining projects on the horizon, and several Free Trade Agreements, including one with the United States, have been approved.

According to Enterprise Florida, 35 percent of all U.S. trade with Panama moves through Florida. Furthermore, Panama ranks as the 13th largest destination for Florida-origin exports by value in 2012 and was also the 19th largest international visitor in 2011. Both of these statistics are impressive, given that Panama's population is 3.57 million, only about 18 percent of the total Florida population.



FLORIDA'S BUSINESS DEVELOPMENT MISSION TO PANAMA

A Florida delegation visited Panama in March 2011 along with 27 participants, including Steve Tyndal, PPM, the Port Manatee Senior Director of Trade Development and Special Projects; Barney T. Bishop, then-President and CEO of Associated Industries of Florida; Dale Brill, then-President of the Florida Chamber Foundation; Ambassador Charles Cobb, Chairman and CEO of Cobb Partners; and Doug Wheeler, President of the Florida Ports Council.

The delegation met with President Ricardo Martinelli and several other government leaders. Delegates discussed the opportunities of trade through the free trade agreement and the Panama Canal expansion.

The main objective of the trade mission was to have a first-hand look at the canal expansion since many of the state's ports will benefit from it. One such port is PortMiami which, in the wake of the Canal's expansion, is being dredged to a depth

of 50 feet so that the bigger post-Panamax ships coming from or leaving for the Panama Canal will be able to use the port. Such improvements, according to the September 2012 Florida TaxWatch *Economic Commentary*, will also increase our state's competitiveness in the world market, and will provide existing businesses with low-cost, efficient freight service.

Furthermore, these projects provide hundreds of Floridians with jobs and high wages. According to University of Florida's Bureau of Economic and Business Research, "the average annual wage of seaport-related jobs is approximately double the average annual wage for all other non-advanced degree occupations and up to 40 percent more than the average annual wage for all occupations." Therefore, a focus on seaports and international trade was a good start for this business development mission, as it helps provide quality jobs to Florida families.



CANADA

QUICK FACTS

POPULATION 34.5 Million

CAPITAL CITY Ottawa, Ontario

LARGEST CITY Toronto, Ontario

OFFICIAL LANGUAGE... English/French

CURRENCY Canadian Dollar

EXCHANGE RATE* 1 CAD = 0.9959 USD

GDP GROWTH ⁽²⁰¹¹⁾ 2.5%

**TRADE-WEIGHTED
AVG. TARIFF RATE** 0.9%

DESTINATION FOR FLORIDA-ORIGIN EXPORTS #4

ORIGIN OF FOREIGN VISITORS TO FLORIDA #1

TOP 5 IMPORTS FROM FL Chemicals
Transportation Equipment
Agricultural Products
Computer & Electronic Products
Food and Kindred Products

TOP 5 EXPORTS TO FL Petroleum & Coal Products
Chemicals
Transportation Equipment
Machinery, except Electrical
Food & Kindred Products

ABOUT CANADA

Several reasons beyond our common heritage and border provided a good reason to visit Canada. As Florida's and the nation's top trade, investment and tourism partner, it is also U.S.'s largest foreign supplier of energy and electric power and is among the few developed countries that are net exporters of energy.

The Canadian economy is a highly developed one, and ranks as the eleventh largest in the world. However, it is different from most of its counterparts in that its natural resource sector is of great importance to the economy.

Top natural resource-related industries in Canada include the oil, gas, and agricultural industries. It is the potash mining, oil and gas, and manufacturing sectors that are strengthening the Canadian economy after two straight quarters of sluggish growth last year, according to Statistics Canada.

According to the Canadian government, Canada has the world's third-largest proven reserves after Saudi Arabia and Venezuela, at 175 billion barrels, 170 billion which are in the oil sands. Since 1999, Canada has been the largest supplier of crude and refined oil

to the U.S. Canada is also the third-largest producer and second-largest exporter of natural gas in the world.

Canadians represent the largest group of foreign homebuyers in Florida, making up about 39 percent of the international purchasers of Florida homes. Further, Canadians are the top Florida visitors, as approximately 3.3 million Canadians visited Florida in 2011, which is equal to nearly 10 percent of Canada's total population.

All of this trade with Canada translates into thousands of jobs for Floridians. According to the Canadian government, Canada supports 559,900 jobs in Florida, making us the second-highest state in jobs supported by Canada



FLORIDA'S BUSINESS DEVELOPMENT MISSION TO CANADA

A Florida delegation visited Canada in June 2011 for a week, visiting Montreal and Toronto. During their stay, they met with Canadian officials and business leaders from more than 120 Canadian companies to discuss opportunities for increasing trade, tourism and business.

During the mission, Governor Scott announced that Garda, one of the world's leading security companies, chose to relocate its headquarters from Pasadena, California, to Boca Raton. Florida was chosen primarily because of its low corporate income tax rates. The company's relocation to Florida was expected to create 100 new professional jobs, and has exceed that goal by nearly 400 jobs thus far.

In addition, Governor Scott announced that two other companies, Aircraft Armature, Inc., an aircraft repair company, and UCC Steelwork Connections Inc., a distributor of steel and concrete products, will add approximately 110 skilled jobs to the aerospace and manufacturing industries in Florida.

Florida is home to almost all of the aerospace industry's leading companies, according to the November 2012 Florida TaxWatch *Economic Commentary*. Aerospace provides a significant amount of high tech manufacturing jobs, which translate into high wages. Overall, this manufacturing industry is key to Florida's exports, is a driver of research and development, and has the biggest multiplier of all industries in Florida. Therefore, the addition of two companies in both of these industries is a positive step towards job creation.



BRAZIL

QUICK FACTS

POPULATION 196.7 Million

CAPITAL CITY Brasilia

LARGEST CITY Sao Paulo

OFFICIAL LANGUAGE... Portuguese

CURRENCY Real

EXCHANGE RATE* 1 REAL = 0.4993 USD

GDP GROWTH ⁽²⁰¹¹⁾ 2.7%

**TRADE-WEIGHTED
AVG. TARIFF RATE** 7.6%

DESTINATION FOR FLORIDA-ORIGIN EXPORTS **#3**

ORIGIN OF FOREIGN VISITORS TO FLORIDA **#2**

TOP 5 IMPORTS FROM FL Computers & Electronic Products
Chemicals
Transportation Equipment
Machinery, except Electrical
Misc. Manufactured Commodities

TOP 5 EXPORTS TO FL Paper
Chemicals
Transportation Equipment
Agricultural Products
Food & Kindred Products

ABOUT BRAZIL

Brazil is known for its beaches, soccer and Carnival, yet it is also known for being one of the fastest growing economies in Latin America. Brazil was the 16th-largest economy in the world in 1980, and ranks sixth today.

Its growing population and expanding middle class have given Brazil a larger role in the global arena in the past decade. The country will be hosting the next Summer Olympic Games and the FIFA World Cup, the world's largest sports events, in the next three years.

Brazil is the world's fifth largest country in terms of land mass and population. The country has a large endowment of natural resources, including bauxite, gold, iron ore, and manganese. It is also the world's largest producer of coffee, and the second largest producer of ethanol fuel.

Brazil is Florida's biggest trading partner. According to Enterprise Florida, Brazil is ranked 3rd in Florida-Origin Export Destinations. In addition, a large amount of Brazilian tourists visit the state every year,

particularly Miami and Orlando. Florida welcomed about 1.5 million Brazilians in 2011, a 38 percent increase from 2010. This was the largest group of visitors after Canada.

Brazilian tourists are also the top spenders in our state, pouring approximately \$2.2 billion dollars into the Florida economy in 2011, which represents approximately \$1,530 per visitor. Brazilians also buy a substantial number of housing in Florida, as the June 2012 Florida TaxWatch *Economic Commentary* shows. The largest increase in foreign homebuyers in 2011 came from Brazil.



FLORIDA'S TRADE MISSION TO BRAZIL

The Florida delegation visited Brazil in October 2011 for seven days, along with 187 representatives from the business and political sectors. Nearly half of the group represented South Florida, the region of the state that most benefits from Brazilian spending. Business leaders represented different sectors such as Aviation, Economic Development, Real Estate and Tourism. The delegation visited Rio de Janeiro and Sao Paulo. The goal of the trip was to help Florida's small and mid-size firms enter the enormous Brazilian market.

While in Rio de Janeiro, the delegation visited The Fair of the Americas, the largest travel & trade event in the Americas, looking for businesses that could invest in Florida. Their next stop was Sao Paulo where they spent most of their time. During his time in Sao Paulo, the Governor inaugurated a Trade Expo put together by Enterprise Florida.

One of the main attractions during the trading expo was the seaports sector, where representatives

from all 14 Florida seaports were present. Florida's ports are the first ones Brazilian vessels reach when they are in US waters. Representatives from the ports were highlighting Florida's ports as the most efficient way for Brazilian goods to enter the U.S.

Once again, the aviation industry in Florida was highlighted during a trade mission, as Brazilian aviation giant Embraer announced that it would open a state-of-the-art development and design center in Melbourne. The \$50 million project is expected to produce more than 200 high-wage jobs over five years.

Embraer, who already had operations in Florida, indicated that it chose the Melbourne area because of the available labor force and land. As the November 2012 Florida TaxWatch *Economic Commentary* indicates, this expansion of Embraer's presence can be an opportunity to re-employ former NASA workers in the region.

ISRAEL



QUICK FACTS

POPULATION 7.77 Million

CAPITAL CITY Jerusalem

LARGEST CITY Jerusalem

OFFICIAL LANGUAGE... Hebrew, Arabic

CURRENCY New Shekel

EXCHANGE RATE* 1 ILS = 0.2815 USD

GDP GROWTH ⁽²⁰¹¹⁾ 4.7%

**TRADE-WEIGHTED
AVG. TARIFF RATE** 3.5%

DESTINATION FOR FLORIDA-ORIGIN EXPORTS **#54**

ORIGIN OF FOREIGN VISITORS TO FLORIDA **#42**

TOP 5 IMPORTS FROM FL Transportation Equipment
Computers & Electronic Products
Misc. Manufactured Commodities
Chemicals
Machinery, except Electrical

TOP 5 EXPORTS TO FL Chemicals
Computer & Electronic Products
Misc. Manufactured Commodities
Machinery, except Electrical
Transportation Equipment

ABOUT ISRAEL

Israel has historically been at the heart of many cultural, religious, and political crossings. It has also been home to many technological developments, such as the cell phone, voice mail technology, and several in the medical field. This blend of ancient and modern is found in its capital city, Jerusalem, which is also one of the most historical locations of the world.

Today, the once-called “Land of Milk and Honey” is a model of education, innovation, and entrepreneurship for the rest of the world, as it has: the highest ratio

of university degrees to the population in the world; the highest concentration of hi-tech companies in the world after Silicon Valley; more scientific papers per capita than any other nation; the largest number of biotech start-ups per capita; and the highest rate of entrepreneurship in the world.

Throughout recent decades, Israel has developed from an agrarian state into a highly technological economy, becoming a world leader in software, telecommunications, and semiconductor development.

In addition, the country's diamond industry is one of the world's centers for diamond cutting and polishing.

While not among our largest trading partners, Israel totals more than \$200 million a year in trade with Florida, and our state welcomed about 42,000 Israelis in 2011.



FLORIDA'S BUSINESS DEVELOPMENT MISSION TO ISRAEL

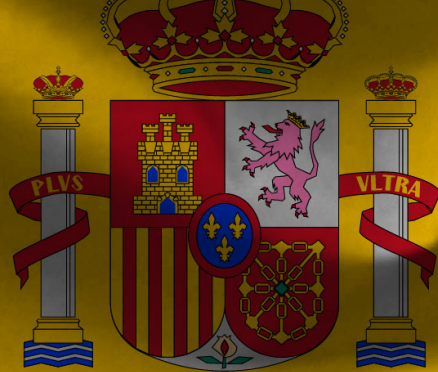
In December 2011, a Florida delegation of 50 business leaders visited Israel. During their stay, the delegation met with the Prime Minister, Benjamin Netanyahu, participated in a presentation on Florida at the Israel Export Institute, and met with top Israeli business and government leaders in Jerusalem, Tel-Aviv, and Beersheba. Governor Scott also spoke at GLOBES, a leading business conference in Israel.

The mission also included a scientific component, as one of the delegation's participants, Dean Pascal Goldschmidt, M.D. from the University of Miami, and Ran Tur-Kaspa, M.D., dean of the medical school at Bar-Ilan University, signed a memorandum of understanding to continue collaborating on several projects, including the development of a cancer center with integrated cancer research.

A memorandum of understanding was also signed with the medical school at Ben Gurion University, where Dean Goldschmidt spoke about UM's programs and projects, including the Life Science and Technology Park. Both universities agreed to collaborate on diabetes, cancer, neuroscience, and cardiovascular research.

As the December 2012 Florida TaxWatch *Economic Commentary* noted, the life sciences industry plays a role in enhancing our state's economy, and so does the training of professionals that occupy positions within this industry. Therefore, agreements and research exchanges such as these ones are highly beneficial for our state's economy.

Soon after the mission, Governor Scott directed \$100,000 in budget funding for Enterprise Florida to open an economic development office in Tel Aviv to strengthen our trade relationship with the country.



SPAIN

QUICK FACTS

POPULATION 46.2 Million

CAPITAL CITY Madrid

LARGEST CITY Madrid

OFFICIAL LANGUAGE... Spanish

CURRENCY Euro

EXCHANGE RATE* 1 EUR = 1.3168 USD

GDP GROWTH ⁽²⁰¹¹⁾ 0.4%

**TRADE-WEIGHTED
AVG. TARIFF RATE** 1.6%

DESTINATION FOR FLORIDA-ORIGIN EXPORTS **#43**

ORIGIN OF FOREIGN VISITORS TO FLORIDA **#10**

TOP 5 IMPORTS FROM FL

- Chemicals
- Transportation Equipment
- Computers & Electronic Products
- Machinery, except Electrical
- Misc. Manufactured Commodities

TOP 5 EXPORTS TO FL

- Petroleum & Coal Products
- Chemicals
- Food & Kindred Products
- Leather & Allied Products
- Machinery, except Electrical

ABOUT SPAIN

Spain and Florida have a relationship that goes back centuries. It was, after all, 500 years ago that Ponce de Leon arrived to our state and named it “La Florida” due to its beauty.

The relationship is still strong, as our state welcomed about 292,000 visitors from Spain in 2011 (an 18 percent increase from the previous year). Florida is also home to more than 300 Spanish companies in a variety of industries.

Spain is the 13th-largest economy in the world. It has the second largest tourism industry in the world, and is also one of the top car manufacturing countries. Further, it is the world’s biggest producer of olive oil, one of the top producers of corks, and the third-largest producer of wine.

Several regions in Spain, although not wholly independent, are considered autonomous. These include Catalonia, Basque, and Galicia. Some of these regions, notably Catalonia, where Barcelona is located, compose a sizable part of the Spanish

economy. These regions, along with several others, are culturally different and speak languages other than Spanish (known as Castilian in Spain). Some of the recognized languages include Catalan, Basque, Aranese, and Galician.

While Spain was one of the eurozone's most affected countries in the recent crisis, its government has been addressing its current banking account imbalance and labor costs. Unemployment however, remains elevated throughout the entire country, hitting the younger segment of the labor force the hardest.



FLORIDA'S BUSINESS DEVELOPMENT MISSION TO SPAIN

A Florida delegation visited Spain in May 2012 for three days, a year before the 500th anniversary of Ponce de Leon's arrival to Florida, with more than 60 participants. During their time in Spain, Governor Scott met with many business organizations, political leaders, and with King Juan Carlos. The agenda included nine events and 13 meetings about potential investment projects.

The Beacon Council, which participated in the mission, stated that three Spanish companies will add 465 jobs in Miami within three years. Obrascón Huarte Lain, one of the world's largest construction companies, will add new headquarters in northwest Miami. Some of the other companies adding jobs in Florida include travel and tourism transportation company Miami City Tour (formerly known as El Grupo Julià), as well as two banks: TotalBank and BBVA.

The growing skilled and culturally diverse labor pool in Florida is especially attractive to Spanish companies. In fact, 40 percent of Spanish companies operating in the U.S. have offices in Florida, mainly in the Southeast. Miami alone houses 180 Spanish companies, according to Fernando Perez-Hickman, president of the Spain-U.S. Chamber of Commerce, which is also located in Miami.

While the mission was mostly focused on business development, it was also aimed to promote and attract more visitors in 2013 for the state's celebration of Juan Ponce de Leon's first arrival.

Spain is such an important partner for Florida that Miami officials have recently returned from a Business Development Mission to Spain. The delegation, headed by Miami-Dade County Mayor Carlos Gimenez, visited Madrid and Barcelona, the economic powerhouses of the country.



UNITED KINGDOM

QUICK FACTS

POPULATION 62.74 Million

CAPITAL CITY London

LARGEST CITY London

OFFICIAL LANGUAGE... English

CURRENCY Pound Sterling

EXCHANGE RATE* 1 GBP = 1.5539 USD

GDP GROWTH ⁽²⁰¹¹⁾ 0.8%

**TRADE-WEIGHTED
AVG. TARIFF RATE** 1.6%

DESTINATION FOR FLORIDA-ORIGIN EXPORTS **#17**

ORIGIN OF FOREIGN VISITORS TO FLORIDA **#3**

TOP 5 IMPORTS FROM FL Transportation Equipment
Computers & Electronic Products
Misc. Manufactured Commodities
Chemicals
Wood Products

TOP 5 EXPORTS TO FL Petroleum & Coal Products
Beverages & Tobacco Products
Transportations Equipment
Computer & Electronic Products
Machinery, except Electrical

ABOUT THE UK

The United Kingdom is the birthplace of modern day trade. It was in this country that the Industrial Revolution started, when thousands of new ideas and technological inventions emerged in the 18th and 19th centuries. The UK is still one of the largest trade hubs in the world, as its largest city, London, is a worldwide hub for finance, commerce, and international business, along with New York City and Tokyo.

The UK economy is the seventh largest in the world, and the second-largest in Europe. It is a highly service-oriented economy, as the service sector makes up

about 73 percent of the economy. The UK is made up of four nations: England, Wales, Scotland, and Northern Ireland. England's economy is the largest one of the four. While an important producer of textiles, chemicals, and automobiles, most of England's income is derived from the financial services sector in London.

The largest economic sector in Scotland is also services. However, it is also the European Union's largest producer of petroleum. An important source of foreign trade, it is also the largest whiskey-producing region in the world.

The two largest economic sectors in Wales are services and manufacturing, with about 80 percent of the land in Wales is used for agricultural purposes. The Northern Ireland economy, the smallest one of the four, has focused on shipbuilding, manufacturing, and public sector services.

While the eurozone crisis has hurt the UK economy in recent years, the country is still a strong trading partner of Florida, with total annual bilateral trade in the \$2-3 billion range. In addition, about 340 UK-affiliated companies provide jobs in Florida. In fact, the U.K. is the largest foreign employer in the state, and according to UK Trade & Investment Director-General Danny Lopez, employs about 45,000 Floridians. Most of these companies are located in the Southeast and Tampa Bay regions.

Our state welcomed 1,286,000 visitors from the UK in 2011, according to Visit Florida, which makes them the third largest group of visitors to the Sunshine State. Further, UK residents comprised 7 percent of foreign homebuyers in Florida in 2011.

Two of the UK's main industries, aerospace and pharmaceuticals, are top industries in our state. The UK aerospace industry is the largest industry of its type in Europe, and second only to the United States in the world. It is therefore no wonder that this country was selected as a mission destination to promote and strengthen trade between our state and the UK in the aviation and aerospace industry.

FLORIDA'S TRADE & INVESTMENT MISSION TO THE UK

A delegation that included JBT AeroTech of Orlando, L2 Aerospace of Port Canaveral, and Custom Manufacturing of Pinellas Park visited the UK for four days in July 2012. During the trip, Governor Scott met with Prime Minister David Cameron to discuss their efforts to implement job-friendly policies for the aerospace sectors of both the UK and Florida. Governor Scott also met with representatives from insurance giant Lloyd's of London, British-American Business, Inc., and The D Group, a business development network.

Since the main goal of this trip was to promote worldwide investment into Florida and further develop the state's aviation cluster, the delegation visited the Farnborough International Air Show, which brings together more than 120,000 leaders from 40 countries in the aerospace, defense and space sectors. Florida had a total of 21 exhibitors at the show.



The results of this participation were very positive, and those who participated in the show reported \$41 million in actual and expected export sales in the next two years. In addition, following the mission, Governor Scott announced that Pratt & Whitney will create 230 new jobs in Palm Beach County, with an average wage of \$81,000.

COLOMBIA

QUICK FACTS

POPULATION 47 Million

CAPITAL CITY Bogota

LARGEST CITY Bogota

OFFICIAL LANGUAGE... Spanish

CURRENCY Colombian Peso

EXCHANGE RATE* 1 USD = 1830.93 COP

GDP GROWTH ⁽²⁰¹¹⁾ 5.9%

**TRADE-WEIGHTED
AVG. TARIFF RATE** 8.9%

DESTINATION FOR FLORIDA-ORIGIN EXPORTS **#5**

ORIGIN OF FOREIGN VISITORS TO FLORIDA **#8**

TOP 5 IMPORTS FROM FL Computers & Electronic Products
Machinery, Except Electrical
Transportation Equipment
Chemicals
Misc. Manufactured Commodities

TOP 5 EXPORTS TO FL Primary Metals
Agricultural Products
Petroleum & Coal Products
Minerals & Ores
Food & Kindred Products

ABOUT COLOMBIA

“Colombia: The Only Risk is Wanting to Stay,” is the message frequently used to attract visitors and investors to this South American country. The phrase intentionally includes the word “risk” to counter the past perception of Colombia, as the country has made remarkable progress in restoring its security and stability.

Colombia has risen to become one of the stars of economic growth in Latin America, as it is one of the fastest growing countries in the region. It is currently South America’s second largest economy,

after recently passing Argentina, and the third-largest in Latin America after Brazil and Mexico. Its middle class is strong as well, and is the driving force for several industries such as housing, transportation, manufacturing, and tourism.

Colombia is the world’s second-largest coffee producer, and is a major producer of gold, silver, emeralds, platinum and gold. However, its current biggest export is oil, followed by coal.

Florida and Colombia maintain a very strong relationship, which will be enhanced through the recently-ratified U.S.-Colombia Trade Promotion Agreement (TPA) that went into effect in May 2012. This agreement reduces the costly tariffs imposed on Florida exports. Our state accounts for one-fourth of the total U.S. trade with Colombia, and handles 37 percent of U.S. exports heading to Colombia.

According to Visit Florida, an estimated 306,000 Colombians visited our state in 2011, an increase of 13 percent from the previous year. In addition, about a third of Colombians residing in the U.S. call Florida home.



FLORIDA'S TRADE MISSION TO COLOMBIA

A delegation of nearly 200 participants representing 116 Florida companies, state organizations, and higher education institutions visited Colombia in early December 2012. This was the largest delegation of any previous mission during Governor Scott's tenure. Twenty-eight of the participating companies participated in business matchmaker meetings where they met with Colombian business representatives to discuss potential deals.

The Tampa Hillsborough Economic Development Corp. organized an extended trade mission for 34 Tampa delegates, led by Tampa mayor Bob Buckhorn, to Barranquilla, an industrial port city.

This visit led to a recent visit of 11 business and government leaders from Barranquilla to North Florida last month. The group visited Tallahassee, Port St. Joe, and the port of Panama City.

In February 2013, Governor Scott announced that the companies that participated in the Trade Mission expect sales that exceed \$40 million in total.

Opportunities for establishing further business relations with Colombia keep arising. One such event was ProExport Colombia's Business Matchmaking Forum that took place in Miami on May 14, where attendants participated in Colombian supplier meetings and a session with experts on Free Trade Agreement opportunities between USA and Colombia.



CHILE

QUICK FACTS

POPULATION 17.2 Million

CAPITAL CITY Santiago

LARGEST CITY Santiago

OFFICIAL LANGUAGE... Spanish

CURRENCY Chilean Peso

EXCHANGE RATE* 1 USD = 470.9 CLP

GDP GROWTH ⁽²⁰¹¹⁾ 6.0%

**TRADE-WEIGHTED
AVG. TARIFF RATE** 4.0%

DESTINATION FOR FLORIDA-ORIGIN EXPORTS **#6**

ORIGIN OF FOREIGN VISITORS TO FLORIDA **#25**

TOP 5 IMPORTS FROM FL Transportation Equipment
Computers & Electronic Products
Machinery, except Electrical
Chemicals
Misc. Manufactured Commodities

TOP 5 EXPORTS TO FL Livestock & Livestock Products
Primary Metals
Fish & Other Marine Products
Agricultural Products
Food & Kindred Products

ABOUT CHILE

Chile is a truly unique country. It occupies a 2,600 mile-long coastal strip of the South American continent, which is one of the longest coastlines in the world. It is also home to one of the world's largest deserts, the Atacama, and home to 1,300 volcanoes. Its borders also go beyond the mainland, as part of Antarctica is Chilean territory. Easter Island, a Polynesian island located more than 2,000 miles away from the Chilean coast, is also Chilean territory.

Chile is the second-leading producer of salmon in the world, and the world's eighth-largest producer of wine. It also produces more than a third of the world's copper, a significant portion of which is shipped through Florida's Port of Panama City.

The Chilean economy is one of the most stable and prosperous ones in Latin America, placing it in the top regional rankings in terms of human development, competitiveness, economic freedom, openness, and a low perception of corruption. It also has one of the strongest middle classes in Latin America.

Approximately 11 Chilean companies are located in South Florida, employing at least 1,080 Florida residents. Two of these employers, LanChile Airlines and Americatel, provide about 776 and 140 jobs respectively.

Thousands of Chileans visit our state every year. Florida welcomed approximately 99,000 Chilean visitors in calendar year 2011, according to the 2011 Florida Visitor Study.

Therefore, promoting Florida in Chile could also provide opportunities for future tourism growth. One of Florida's advantages over other states for Chilean businesses is that Spanish is widely spoken, specifically in the South, by much of the labor force.



FLORIDA'S TRADE MISSION TO CHILE

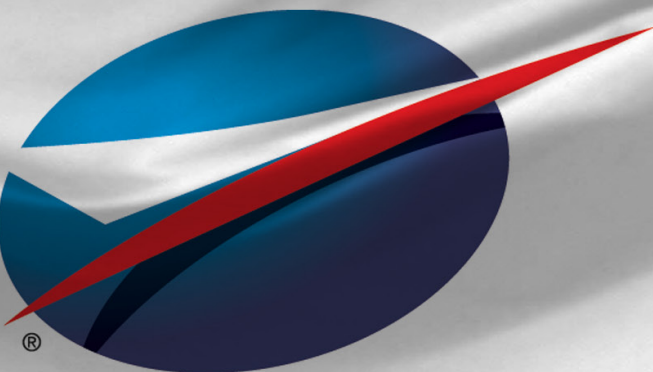
Governor Scott traveled to Chile from May 20-23 with approximately 100 business leaders. Some of the scheduled activities included attending a seminar discussing opportunities for Chilean companies in Florida, and one-on-one appointments with Chilean business representatives.

Following the mission, Crystal Lagoons Corporation, a company that offers technologies for giant crystalline lagoons for water sports, announced that they will establish its headquarters in Miami. The company currently has a portfolio of 250 projects, and are located in more than 50 countries around the world.

Trade has been strengthened through the the U.S. and Chile Free Trade agreement, implemented in January 2004, which allowed for 90 percent of Florida exports to enter Chile duty-free. The trade outlook looks even better in the coming years, as the remaining tariffs are set to phase out by 2015.

Some of the Florida sectors with potential for increased trade with Chile include agricultural machinery and equipment, mining equipment, and electronic power equipment. All of these categories fall within the manufacturing category, which provides high-skill, high-wage jobs. An expansion of trade in the manufacturing industry will help Florida's economy, as it is a driver of research and development, and provides the biggest jobs multiplier of all of Florida industries.

Further opportunities for trade include increasing the volume of Chilean cargo arriving at Florida ports. PortMiami has already announced its goal to increase fruit imports from Chile. This will be even more feasible once the Panama Canal is expanded. This increase in trade will sustain high-wage jobs in the ports and logistics sectors.



50^e SALON INTERNATIONAL
DE L'AÉRONAUTIQUE ET DE L'ESPACE
PARIS LE BOURGET

17-23 JUIN 2013

PARIS AIR SHOW

FLORIDA'S PARTICIPATION IN THE AIR SHOW

The International Paris Air Show is a world-renowned aviation and aerospace trade event that takes place every two years at Le Bourget airport, a business aviation airport located about four miles from Paris. The main objective of the show is to exhibit military and civilian aircraft to potential buyers. This year, its 50th, the show will take place from June 17 to 23, where the first four days are exclusively for trade visitors, and the last three for the general public.

Governor Rick Scott will lead a delegation of aviation, aerospace, and defense companies to the Show, where Florida has secured a spot at the U.S. International Pavilion. Florida companies will share the Pavilion with companies from 33 other states and the District of Columbia, where they will have the opportunity to reach out to a global audience.

According to Manny Mencia, Senior Vice President and COO of the International Trade And Development Unit of Enterprise Florida, the event has been very fruitful for Florida companies in the past. A delegation of 14 small to medium-sized Florida companies traveled to the last air show held in 2011, including Infinity Air Inc. from Doral, JBT AeroTech from Orlando, Relli Technology Inc. from Boca Raton, and Embry Riddle Aeronautical University from Daytona Beach.

Qualifying companies were encouraged to apply for the Target Sector Trade Grants, which paid for 50 percent of the booth space cost, up to \$7,500.



CREDIT: VERRIER_ SUNLIGHT IMAGE

2,113

EXHIBITORS
FROM 45
COUNTRIES

151,000

TRADE
VISITORS

204,000

GENERAL
PUBLIC VISITORS

130,000 m²

OF EXHIBITION
AREA SOLD*

*Halls, village, chalets and outdoor area

192,000 m²

OF EXHIBITION SPACE
FOR AIRCRAFT

150

AIRCRAFT
PERFORMING FLYING
DISPLAYS AND
EXHIBITED

3,200

JOURNALISTS
FROM ALL OVER
THE WORLD

290

OFFICIAL
DELEGATIONS
FROM SOME
100 COUNTRIES

7,000

PEOPLE ARE INVOLVED
IN SETTING UP
THIS UNIQUE
EVENT

10,000

ARTICLES
ABOUT THE
SHOW

1,400

AIRCRAFT
SOLD
AT THE SHOW

CREDIT: INTERNATIONAL PARIS AIR SHOW, <http://www.paris-air-show.com/GB/THE-SHOW/Introduction.htm>

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ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible memberships and private grants, and does not accept government funding. Memberships provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves for the last 33 years.

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