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May 7, 2012

Trade Missions Help New Mexico Businesses Expand into Global Market

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Glenn Mallory traveled to Chile and Argentina this winter to gauge the potential market for Kalwall, an energy-saving translucent building material made and marketed by Iluminación Natural Inc. and its Southwest affiliate, Daylighting Solutions. The trade mission was coordinated by the New Mexico Economic Development Department's Office of International Trade.

"I had worked in both markets several years ago with no tangible results," Mallory said. But on this trip, "I got very clear ideas about the potential in both markets. It will take months of follow-up and persistence to determine whether or not there will be direct economic benefit from the mission, but one small order would pay for the cost of making the trip, so it is worth the investment."

The state legislature created the Office of International Trade to support job creation, retention and expansion by helping New Mexico companies capitalize on opportunities in the competitive global marketplace. Export-market success is critical for small and midsize companies, as about 96 percent of consumers live outside the U.S. By recent government estimates, companies that export pay higher salaries on average and have reported a 32 percent increase in revenue compared with a 19 percent decrease among those companies that restrict themselves to the domestic market. Of the 50 states tracked, New Mexico had the third greatest growth in overseas exports in 2011 after registering an overall 37 percent increase over 2010 exports.

Businesses that are accepted for the trade missions travel with representatives of the EDD who have set up meetings for them in the countries they're visiting. Some funding is provided through the Small Business Administration's STEP (State Trade and Export Promotion) program, but businesses pay about 50 percent of travel costs. The department is organizing a trip to the Asia-Pacific region May 10-22 for companies with concrete plans to develop and expand their market in that fast-growing region.

The South America trip was Mallory's second trade mission. "I went to India three years ago and just last month received an inquiry from a company that I met on the mission," he said. "It is a long-term investment; I am looking five to 10 years out, and the trade missions will hopefully

guide me in future efforts (whether or not they) result in immediate or direct business. The participation in trade missions is an effort on our part to be proactive and to better understand markets where we see potential.”

Besides coordinating the trade missions, the EDD provides business representatives advice on how to clear the language, cultural and structural barriers that might otherwise frustrate their efforts to penetrate the international marketplace. The department conducts workshops and seminars to make businesses aware of global opportunities and explain the export process. Department experts can help New Mexico businesses establish overseas distribution channels, arrange export finance and letters of credit, explain international shipping and logistics and global pricing strategies and assist with cross-cultural communications in a specific country or region.

The state department coordinates export promotion programs in partnership with the federal government through the U.S. Department of Commerce Export Assistance Center, which is housed in the EDD.

For more information on the EDD’s trade missions program, visit the department’s website (<http://www.gonm.biz>) and click on the International Trade tab.

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