

*Attracting
International
Investment and
Creating Jobs*

**Global Marketing
and Export Strategy**

Regional Economic
Development Council of the
Southern Tier

2014

DRAFT 5-23-14

SOUTHERN TIER
GLOBAL MARKETING AND EXPORT STRATEGY

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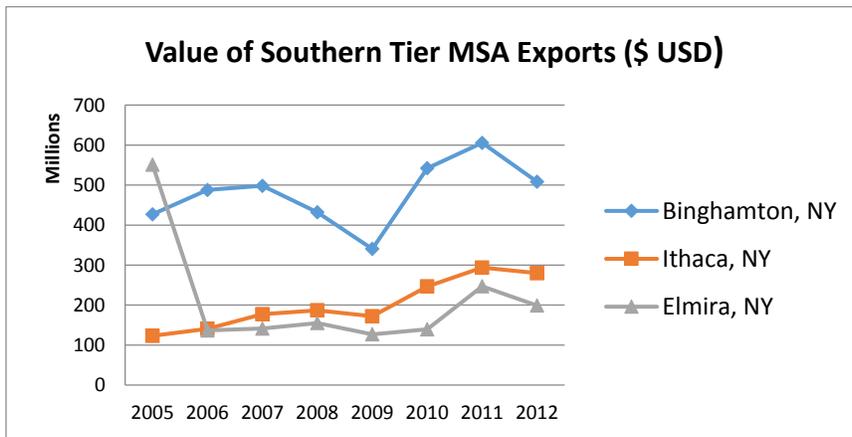
INTRODUCTION

In his 2014 State of the State address, Governor Cuomo announced the introduction of Global NY to Round 4 of the Regional Economic Development Council initiative. The Regional Economic Development Council of the Southern Tier has adopted a plan to integrate Global NY into the region's economic development strategy. This plan is based on an assessment of opportunities, objectives and strategies designed to accomplish the overall goal to increase, attract international investment and create jobs.

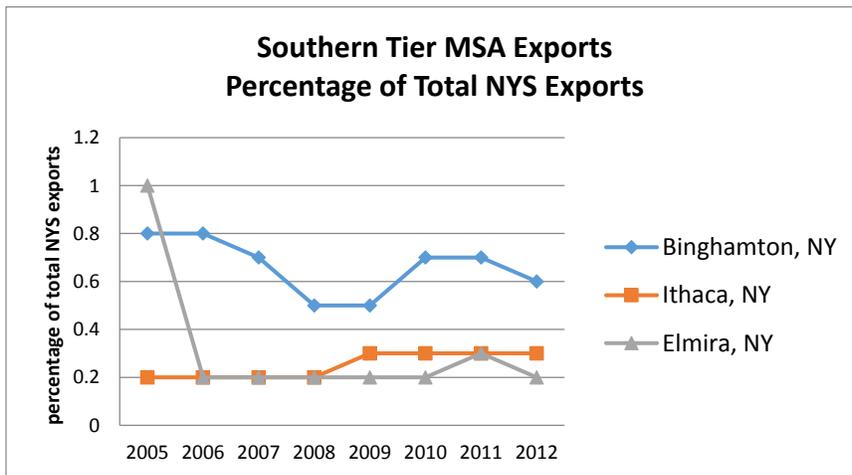
SITUATION ANALYSIS

The International Trade Administration's 2012 data bases indicate that the Binghamton MSA's export activity experienced a spike from 2009 to 2011, but activity took a dip in 2012. The Ithaca MSA did not experience a decline during the 7-year tracking period, and in fact saw slow and stable growth in export activity from 2009 to 2012. The Elmira MSA's growth activity took a steep decline in 2006 and remained flat until 2011 when activity increased once again.

More detailed information regarding these three MSA's and all eight counties in the Southern Tier Region is contained in Appendix A.



Source: International Trade Administration *County Totals and Major Export* data bases. 2012



Source: International Trade Administration *County Totals and Major Export* data bases. 2012

Southern Tier Business and Industry Export Activity

Current Level of Activity

There are several businesses in the Southern Tier Region that have significant export activity. Following is sample listing of these businesses in the REDC's key target industries.

<p>Environmental and Clean Energy Products</p> <ul style="list-style-type: none"> • Corning Incorporated: Heavy Duty Diesel 	<p>Software and Technology Development</p> <ul style="list-style-type: none"> • Moldflow • GiveGab
<p>Energy Efficiency and Technology</p> <ul style="list-style-type: none"> • Borg Warner • Dresser-Rand • Eaton Electric 	<p>Manufacturing of Food Products</p> <ul style="list-style-type: none"> • Chobani • DeMet's Candy Company • Kerry Bioscience
<p>Design and Manufacture of High-technology Products</p> <ul style="list-style-type: none"> • Chentronics • Emerson Network Power • GE/Unison • i3 Electronics • IBM • Kionix • Norwich Aero • Novomer • Sanmina Corp. • Diamond Visionics 	<p>Design and Manufacture of Transportation Systems and Components</p> <ul style="list-style-type: none"> • ENSCO Avionics • BAE Systems • Hilliard Corporation • Lockheed Martin • SEPAC, Inc. • Therm
<p>Manufacturing</p> <ul style="list-style-type: none"> • BSC Associates • Emhart Glass • Felchar Manufacturing Corporation • Hardinge • Incodema • Meier Industries • Raymond Corporation • Silicon Carbide Products • Tecnofil • Universal Instruments 	<p>Medical and Healthcare Technology</p> <ul style="list-style-type: none"> • Datapoint Labs • DePuy Synthes • Innovation Associates • Micatu • Mirion Technology Corporation • MiTeGen • Rheonix • Vybion
<p>Specialty Products</p> <ul style="list-style-type: none"> • GOLDEN Artist Paints • Hagen Pet Foods • McIntosh Labs 	<p>Pharmaceuticals</p> <ul style="list-style-type: none"> • Alvogen Company • Norwich Pharmaceutical
<p>Forest-based Products</p> <ul style="list-style-type: none"> • Baillie Lumber • Double Aught Lumber • LOK-N-LOGS • Tioga Hardwoods • Wagner Lumber 	

Projected Growth in Export Activity

Those business and industry sectors with the greatest potential for growth in export activity include advanced manufacturing, transportation (rail, bus and aerospace in particular), metal fabricating, natural gas exploration – export of energy, electronics, software and technology development, generic pharmaceuticals, clean energy products, food processing, and forest-based and agricultural products.

The following companies are expected to grow their export activity in the next 2-5 years: Corning Incorporated, Dresser Rand, Kionix, Rheonix, MiTeGen, Borg Warner, Novomer, Vybion, Datapoint Labs, Moldflow, Therm, Incodema, GiveGab, Raymond Corporation, BAE Systems, Innovation, i3 Electronics, Diamond Visionics, Felchar, and BSC Associates.

In the agriculture and food processing sector Cayuga Milk Ingredients, Chobani, International Food Network are expected to enter the global export market in a significant way. In the energy field, ReNew Rare Earth will be engaged in export activity.

Barriers

The greatest barriers to growth in export activity are a limited understanding of foreign requirements to export, together with lack of capital for increased production capacity, the cost for development of supply chains and partnerships, need to attract/train a qualified workforce and limited number of trade zones.

Specifically, small to medium-sized businesses lack the internal knowledge and expertise that prevent them from pursuing a successful export strategy. Examples include lack of knowledge about:

- Foreign markets
- Transportation costs
- U.S. Export Control Laws, regulatory compliance, licensing, inspections, tariffs
- Global sale contracts, contract negotiations
- Protection of intellectual property rights
- Foreign import control laws, regulatory compliance, inspections, tariffs
- Foreign government regulations / policies
- Global advertising, marketing, distribution
- Language and cultural barriers
- Customs clearance
- Exchange rate fluctuations
- Export financing

Although there are a variety of resources available in the region, there is not a designated lead for export service provision. Furthermore, there is not a clear delineation of roles and responsibilities between local public / private export service providers, state service providers, and federal assistance experts, making the region's export resources difficult to tap.

Opportunities

Most of the high tech / tech transfer opportunities in the region have the potential to be global exporters of products or services. An acute lack of capital stunts their growth and limits the number that succeed. A seed capital fund would go a long way in addressing this gap.

In addition, New York State is not known as a low-production-cost state. Therefore, to compete globally we must create products for which price point is not the USP (Unique Selling Proposition). This would include next-generation, high-value products that have global application but are not available from other sources. The recruitment of start-ups and support of them through the new regional incubator program would focus on this sort of commercialization serve to integrate these initiatives.

The tools and resources that would be most beneficial to stimulating more export activity in the Southern Tier include direct technical support to businesses, expanded incubators and retention of the brightest students graduating from the colleges and universities.

There also is an opportunity to expose the benefits of the Southern Tier through an aggressive regional marketing campaign. More immediately, there is the opportunity to leverage the close proximity to New York City to develop international connections and exposure, and to use it as a launch pad for sale of regional products.

For the smaller-sized businesses there also is the opportunity to be involved in networking and education forums planned to be offered by the newly formed Greater Binghamton Global Alliance. This organization also plans to provide technical assistance for development of export plans and serve as a resource for information on topics such as contracts, logistics and sales leads.

Foreign Owned Businesses

Current Level of Activity

There are several existing businesses in the region that are wholly or partially foreign owned. Examples include CAF, Raymond Corporation, Schlumberger, Cemecon, DeMet's Candy, Emhart Glass, Ardagh/Anchor Glass, Kionix, Raymond, Norwich Aero, Chobani, Kerry Bio, and Tecnofil.

In addition, there are expansion plans at several of companies such as CAF, Emhart Glass, and DeMet's Candy.

Barriers

The greatest barrier is that there are not any economic development agencies, organizations or marketing alliances that are actively engaged in promoting foreign investment or spending in the Southern Tier. This issue is compounded by the lack of a large qualified workforce, only one trade zone located in Chenango County, and the on-going perception that New York State is a high cost place to do business.

Opportunities

The business sectors with the greatest potential for foreign investment include energy companies, technology, and food and agricultural interests, especially from China.

For example, Corning Incorporated announced closer ties with Samsung announced this year, the Ceramics Corridor Innovation Center is bringing potential Chinese licensees / investors to meet new businesses in the area, and the wine industry is making in-roads to foreign markets.

Additional opportunities rest with the research and technology development activities at the universities such as Cornell's Research in Food and Energy Systems, and the Southern Tier's new regional incubator program that can be used to provide technical support for start-ups generated both from the universities and through-out the region. A valuable tool would be more use of the EB-5 Visa Program.

International Visitors

Trends in International Inbound Visitors

According to the International Trade Administration Office of Travel and Tourism Industries, New York City is the #1 point of entry for international travelers to the US, and the volume of traffic grew by 9% in 2013 over 2012. Of the nearly 20 million overseas visitors to the US, 23% arrive at either New York City or Newark, New Jersey. Of the 7 million visitors from our target markets, 29% of those from the UK visit New York State. Of German visitors, 35.6% visit New York State and 43.6% of the French travel visit New York State.

The top ten countries generating international tourism traffic in the US during 2013 include Canada, Mexico, Japan, United Kingdom, Brazil, Germany, China, South Korea, Australia and France. Grow has taken place among all of these groups with the exception of Mexico.¹

During the past year, the most significant growth in international visitations has been from Taiwan (45%), Russia (34%), China (29%), Columbia (26%), Venezuela (18%), India (17%), Brazil (16%) and Argentina (13%).

A significant percentage of travelers from the United Kingdom, Germany, France and Israel report their preferred mode of transportation as car rentals and/or private auto. Given this, destinations in the Southern Tier itinerary become very accessible to travelers from our target markets.

The tourism industry has been a leader in interregional collaboration in the Upstate NY region for many years, and there are many examples of success stories across both among the regions that are contiguous to the Southern Tier as well as state-wide. According to Oxford's Tourism Economics research in 2009, tourism represents a \$4.4 billion dollar industry in the combined regions of the Finger Lakes and Niagara Falls.

The wine trail organizations of Seneca Lake, Keuka Lake and Cayuga Lake wineries were established in the late 1980's and have been highly successful in growing tourism, with a growing segment coming from nearby Canada.

The Corning Museum of Glass (CMoG) is the most visited art museum in New York State, outside of Manhattan, and a major driver of the upstate tourism economy with visitations exceeding 400,000 annually. Currently, CMoG is undergoing a 100,000 square foot, \$65,500,000 expansion project. Round 3 funding was received to support the construction of a new international motorcoach entrance. Over 40% of visitors arrive by motorcoach; the majority of these group visitors are international, with the largest visitor volume coming from China. International group visitation is projected to grow 14% by 2016.

The Wine, Water and Wonders, launched in 2007, is a partnership of tourism destinations including the Corning Museum of Glass, Finger Lakes Tourism Alliance, VisitRochester, Niagara Tourism and Convention Corporation, DestinyUSA, Waterloo Premium Outlets, Fashion Outlets of Niagara Falls and Whirlpool Jet Boat tours in Niagara Falls NY. It is focused on the inbound international travelers, and takes advantage of New York City as a predominant gateway into the United States, and of Niagara Falls

¹ US International Trade Administration, Office of Travel and Tourism Industries, 2013 Summary of International Travel to the U.S. Report

as a major international tourism destination. The programmed itinerary involves the regions, communities, small businesses and cultural entities that exist between these two major destinations. The alliance pools financial resources to market the *Wine, Water and Wonders* itineraries to target groups in countries such as France, Germany, England, Israel and China.

According to a 2009 study conducted by the US Department of Commerce, the experiences and activities available within the collective *Wine, Water and Wonders* partner destinations match activities that visitors from the United Kingdom, Germany, France and Israel seek while on vacation in the United States. The collective destinations of the partners offer great shopping, dining, ability to visit historical places, National Parks, art galleries/museums, and sightseeing in cities and small towns. These indicators provide powerful marketing support that will help drive international visitation through the *Wine, Water and Wonders* program.

Based on the US Department of Commerce (DOC), National Travel and Tourism Office's *2014 Spring Travel Forecast*, international travel to the United States will continue experiencing strong growth through 2018. Visitor volume in 2014 is expected to increase 3.5 percent and reach 72.2 million visitors who stay one or more nights in the United States. This growth would build on the 4.7 percent increase in arrivals in 2013, which resulted in a record 69.8 million visitors.

According to the current forecast, the United States would see 3.4 percent to 4.1 percent annual growth rates in visitor volume over the 2014-2018 timeframe. By 2018 this growth would produce 83.8 million visitors, a 20 percent increase, and more than 14 million additional visitors compared to 2013. The latest forecast produces a compound annual growth rate over the forecast period of 3.7%. This rate is slightly lower than the rate in the Fall 2013 Travel Forecast due to underperforming growth from some key markets—most notably Canada and Mexico.

All top-20 visitor origin countries are forecast to grow from 2013 through 2018. Countries with the largest total growth percentages are China (139%), Colombia (56%), India (54%), Taiwan (52%), Brazil (50%), and Argentina (48%).

Four countries are expected to account for 59 percent of the projected growth from 2013 through 2018. These volume growth leaders are Canada (23% of expected total growth), China (18%), Mexico (11%), and Brazil (7%).

Barriers

A leading barrier to growing tourism in the Southern Tier includes lack of aggressive marketing programs such as the successful *Wine, Water and Wonders*. In addition, the Southern Tier is lacking in upscale lodging facilities, signage and businesses being prepared to deal with the international visitor such as need for directional signage (restrooms, etc.), welcoming signage and understanding of various cultures.

Opportunities

International inbound tourism is a key component of export business for the United States. There is an opportunity to position the Southern Tier and contiguous regions as the “fabric of America” or “real America” destination for prospective visitors who are making a repeat visitation to the US. The direct beneficiaries will be small and medium sized enterprises within the tourism and hospitality industry.

The greatest potential rests with prospective visitors who have been to the US in the past and want to expand their visit beyond traditional first tier destinations, and secondly the opportunity to utilize NY City as the #1 gateway to the US.

The Council is working hard to enhance its assets with the total redevelopment of the Seneca Lake waterfront in Watkins Glen, supporting the growth of winery and brewery industries, investing in historic communities throughout the region, and enhancing one of the most popular tourism destinations in the state The Corning Museum of Glass. There are several more projects proposed for 2014 designed to grow the Southern Tier tourism industry including development of three new anchor hotels, enhancement of several existing tourism destinations, and construction of the International Motorcoach Entrance at the Corning Museum of Glass.

International Students

There are an estimated 7,700 international students attending the colleges and universities in the Southern Tier, who are spending dollars on tuition, lodging, food, retail, entertainment, telecommunications, health insurance and health care. The estimated impact is \$180 M per year in Southern Tier.

- Cornell University: 4,200 +
- Binghamton University: 2,500 +
- Other Colleges: < 500
- Community Colleges: < 500

Binghamton University has set a goal of increasing its student enrollment to 20,000, a portion of which will be international students.

ASSETS AND RESOURCES

There are numerous assets and resources available to businesses in the Southern Tier.

New York State Programs and Services

- ESD International Division
- Business First Resource Center : Global One-Stop Shop
- The Export Marketing Assistance Service (EMAS)
- Export NY: International Business Institute for Key Executives
- Global Export Market Services (GEMS)
- Global Exchange Program
- Global Immigrant Business Support Program
- Trade Missions

U.S. Small Business Administration Programs

Empire State Development participates with the U.S. SBA's program: State Trade and Export Promotion (STEP). STEP can help New York-based companies generate new export revenues and create/retain new jobs for New York State by assisting them with participation in selected trade shows and trade missions. Participating businesses are vetted for export readiness and market suitability.

Foreign Trade Zones

Chenango County was officially granted authority to establish the Foreign-Trade Zone in 2013.

Federal Incentive Programs Such as The EB-5 visa

The EB-5 visa for Immigrant Investors is a US visa that provides a method of obtaining a green card for foreign nationals who invest money in the US. To obtain the visa, individuals must invest \$1,000,000 (or at least \$500,000 in a "Targeted Employment Area" - high unemployment or rural area), creating or preserving at least 10 jobs for U.S. workers excluding the investor and their immediate family.

Legal Services

The region has highly skilled immigration attorneys, with expertise in programs such as EB5 Visa.

Alliance for Manufacturing and Technology (AM&T)

AM&T is a team of experienced, skilled consultants and trainers dedicated to helping manufacturers in the Southern Tier of NY plan, perform, profit, and grow.

Commercialization of R&D through the Southern Tier Hot Spot and Regional Incubator Program

The Southern Tier has taken a regional approach to the Innovation Hot Spot program by implementing a Regional Incubator Plan designed to leverage existing assets and fill key gaps in services to increase the pace of commercialization and the success rate of startup formation and growth. The partners include Cornell University, Binghamton University, Corning Incorporated and The Ceramics Corridor Innovation Center. In addition, the Regional Incubator will involve Alfred University's School of Ceramics in the Western NY Region and the Geneva Experimental and Testing Station in the Finger Lakes Region.

Cornell University's Research in Food and Energy Systems

Cornell University's College of Agriculture and Life Sciences is a leader across all New York State in bringing state-of-the art research, technology and technical assistance to create new ways to strengthen and secure food and energy systems. Integrated teams of scientists are improving the nutritional quality, safety and availability of the world's food supply, while driving a compatible evolution of bioenergy products and systems. CALS research fields range from supporting the growth of the dairy and yogurt industries to development of new varieties of grapes, apples and more.

Cornell University's Internationalization Initiative

The Office of the Vice Provost for International Affairs provides leadership on and helps oversee internationalization efforts at Cornell. In support of Cornell's international presence, it is promoting a wide range of international research collaborations and faculty and student exchanges with universities and research institutions worldwide. Cornell strives to foster international research and education with international partners and currently maintains over 350 official agreements with institutions in 64 different countries.

Cornell University Research Facilities

Cornell has numerous research programs and shared-use facilities. For example:

- Greenhouses at the Cornell University's College of Agriculture and Life Sciences
- Geneva Experimental and Testing Station in the Finger Lakes Region
- Nanofabrication Facility
- Cornell Center for Materials Research

Cornell University's Incubators

Cornell has two incubators, including its new Downtown Ithaca Incubator and the McGovern Center for Life Science Companies. In addition, Cornell is an anchor in the Southern Tier's Hot Spot Regional Incubator Plan.

Binghamton University's Center for Excellence

BU has several research programs and shared-use facilities as part of its Center for Excellence.

- Center of Excellence in Small Scale Systems Integration and Packaging Center (S3IP)
- Center for Advanced Microelectronics Manufacturing (CAMM)
- Center for Autonomous Solar Power (CASP)
- Center for Energy-Smart Electronic Systems (ES2)
- Integrated Electronics Engineering Center (IEEC)

Trade Adjustment Assistance Center at Binghamton University

Binghamton University administers one of the 12 trade adjustment assistance centers throughout the nation. The TAAC at Binghamton serves small to medium-sized manufacturing companies throughout New York State. The trade adjustment assistance program equips U.S. manufacturers to respond to import competition. Binghamton's TAAC partners with manufacturers by offering 50/50 cost sharing of projects aimed at improving the firm's competitiveness. The funds are applied toward the cost of consultants, engineers or other outside professional help engaged on behalf of the firm to implement manufacturing, engineering, marketing, systems, and quality or finance improvement projects.

The SUNY Business and Education Cooperative of the Southern Tier (SUNY BEST)

SUNY Best is a volunteer group comprised of senior staff members from key economic and educational institutions in the Southern Tier. Its purpose is to forge strong alliances to strengthen industry specific needs, provide information and outreach for business, explore and support the business community workforce needs for traditional and emerging industry clusters, e.g., nanotechnology, biotechnology, energy, photonics, energy conservation and renewal. It also acts as a networking organization that supports the ongoing exchange of professional knowledge and experience.

The Strategic Partnership for Industrial Resurgence (SPIR)

The Strategic Partnership for Industrial Resurgence (SPIR) is an industry support service designed to strengthen New York state businesses by making them more competitive. Binghamton's SPIR assists small and mid-sized businesses through partnership projects staffed by Watson School of Engineering and Applied Science students, faculty and client personnel.

Binghamton University's High-technology Incubator

BU is currently constructing a high tech incubator in downtown Binghamton that will focus on smart energy, microelectronics, healthcare, and the creation of next generation transportation technologies. It is one of the anchors in the ST Innovation Hot Spot Regional Incubator Plan.

Ceramics Corridor Innovation Center

CCIC is part of the ST Hot Spot Regional Incubator Plan, and also is being designated as a START-UP NY site. The incubator is affiliated with Corning Incorporated and Alfred University's School of Ceramics in the Western NY Region. It provides incubation program services and facilities to foster growth of entrepreneur businesses in ceramics, glass, advanced materials and related technology based industries.

Global Business Alliance of Greater Binghamton and the Southern Tier

The Global Business Alliance of Greater Binghamton and Southern Tier, NY was newly formed in 2013 to provide a support system of information, resources, networking and skills training for its members engaged in global business or interested in developing global business activities. The alliance is in the formative stages, and expects to promote international partnerships to encourage the entrepreneurial spirit involved in forming business organizations, creating jobs and in stimulating the economy.

Tourism Related Offices in Foreign Countries

There are U.S. Department of Commerce, U.S. Commercial Service offices and VisitUSA committees in each of the targeted nations that can assist with organizing programs that promote travel itineraries, as well as guidance as to trade show and market promotion options.

Hospitality, and Hotel and Restaurant Management Programs at Colleges and Universities

Cornell University School of Hotel Administration: Cornell's School of Hotel Administration is world-renowned, and is the only Ivy League business-management program to focus on hospitality.

SUNY Delhi Travel and Tourism Programs: SUNY Delhi plays a leadership role in tourism workforce development with programs in Hotel and Resort Management, Culinary Arts Management, Restaurant and Food Service Management, and Travel and Tourism Management.

Community Colleges: SUNY Broome, Tompkins-Cortland Community College and Corning Community College offer associates degrees in hotel, restaurant management and hospitality programs.

World Renowned Tourism Destinations

The Southern Tier includes tourism destinations with name recognition on the international level such as the Corning Museum of Glass and Watkins Glen International.

Tourism Marketing Alliances

The Wine, Water and Wonders, launched in 2007, is a partnership of tourism destinations including the Corning Museum of Glass, Finger Lakes Tourism Alliance, VisitRochester, Niagara Tourism and Convention Corporation, DestinyUSA, Waterloo Premium Outlets, Fashion Outlets of Niagara Falls and Whirlpool Jet Boat tours in Niagara Falls NY. It is focused on the international travelers who are traveling between New York City and Niagara Falls.

On an interregional basis, the Southern Tier is an active member of the Finger Lakes Tourism Alliance. The Finger Lakes Wine Country marketing partnership promotes wineries, restaurants, lodging, attractions and destinations in the Southern Tier and Finger Lakes Regions. There are several other partnerships that promote the region's wineries including the Seneca Lake Wine Trail, Keuka Lake Wine Trail and Cayuga Lake Wine Trail.

In addition, The Catskills marketing alliances have been effective in building tourism traffic. This interregional initiative is making the area as a destination for its beauty as well as its artisans.

STATEMENT OF OPPORTUNITY AND OVERALL GOAL

Drive economic growth, create jobs, and advance the Southern Tier's strategic economic development plan by incorporating global marketing, foreign trade, and foreign investment activities into the Southern Tier Council's following strategic objectives:

- ***Optimize Energy Efficiency & Renewable Energy Technology***
- ***Expand the Transportation Industry ... Next Generation Technology and Advanced Manufacturing***
- ***Revitalize the Rural Farm and Forest-based Economy***
- ***Grow and Promote Business Development***
- ***Commercialize Research and Technology***
- ***Develop Tourism Industry***

GLOBAL MARKETING AND EXPORT STRATEGIES AND ACTIVITIES

Strategy #1. Increase Volume and Revenues Generated from Export Activity

Activity 1.A. Build interregional collaborations with Central NY and the Finger Lakes regions, and agree on areas of exporting strength of each and agree to put efforts to focus there; i.e., advanced manufacturing and agriculture products in the Southern Tier.

Activity 1.B. Utilize Existing Resources for Product Development and Marketing on a Regional Basis

- Utilize interregional organizations such as the NYS Wine and Grape Foundation as vehicle to market an industry such as wine.
- Cornell University and Cornell Cooperative Extension have expertise in food production and food processing. Example: Maple syrup and honey have been successful so far, and there is an opportunity to aggregate these businesses and help them undertake a joint marketing effort in select foreign countries. Other target products might be dried milk for countries such as China and those in Africa.
- Utilize the ***I Love NY*** expert in international visitation, Empire State Development and organizations such as NYCandCompany to develop a strategy to take advantage of New York City as a predominant gateway and Niagara Falls as a major international tourism destination. NYC can serve as a showcase for Southern Tier products such as wine and dairy.

Activity 1.C. Utilize the Southern Tier Innovation Hot Spot alliance to develop a strategy to market R&D to foreign countries (academic institutions and professional businesses) that address global needs such as environmental issues and enhanced agricultural production.

Activity 1.D. Utilize Existing Resources such as Empire State Development, US Department of Commerce, and Small Business Development Centers as single points of expertise and to provide education and technical assistance

- Empire State Development
 - Seek out ESD experts to work with the ESD Regional Office and local economic development professionals to undertake targeted interventions with strong and experienced exporters in the Southern Tier.

- In partnership with ESD, optimize existing overseas services in select target countries to provide comprehensive licensing, translation, deal-making, and support services to top exporters in the Southern Tier that are looking to enter new markets. Countries already identified by the region's top exporting firms should be the first targets such as emerging markets in Africa, Brazil, China, and India, and established markets in Canada, the United Kingdom, Finland, Germany, and France.
- County-based economic development professionals will work with the ESD experts and other resources to target business in select industry categories that have the potential to develop or expand their export activity. Emphasis will be on advanced manufacturing, transportation industry, agriculture, food processing and technology.
- Utilize the US Department of Commerce services as a point of contact for businesses interested in exporting that would link them up to industry-specific initiatives and/or organizations with appropriate expertise in seeking overseas customers, and in navigating the regulatory hurdles at the state and federal levels.
- Utilize the SBDC's at Binghamton University and Corning Community College as resources for training and information. SBDC staff have recently been trained on export initiatives.
- Newly formed alliances such as the Greater Binghamton Global Alliance are intended to provide education and information, one-one-one technical assistance, resources and networking opportunities for small businesses interested in engaging in global marketing.

Activity 1.E. Create a Global Exporters of Tomorrow Seed Capital Fund

Activity 1.F. Continue to identify non-traditional export opportunities in the region such as individual artisan products, and survey businesses to identify their education and technical assistance needs.

Strategy #2. Increase Foreign Investment in Business Expansion and New Business Development

Activity 2.A. Focus on expansion of existing businesses in the region that are foreign owned. Utilize the several resources for technical assistance and financial assistance.

Activity 2.B. Utilize the EB5 Visa Program to leverage capital investment in tourism infrastructure, such as lodging facilities and major tourism destinations. Investigate getting the Southern Tier certified as an EB5 designated region.

Activity 2.C. Utilize the Southern Tier Hot Spot ... Regional Incubator Program as the primary technical assistance resource for start-ups.

Activity 2.D. Identify professionals in the region who have overseas experience and utilize them as ambassadors and mentors. For examples, there are executives in the region who have started businesses and sold licenses in foreign countries, and managed customer relationships in Europe (UK, Norway, Germany, France, Netherlands, Finland) and Asia (China, Japan, Korea, Taiwan).

Activity 2.E. Leverage university resources such as Cornell and Binghamton University's growing intellectual capital among faculty and foreign students, international research collaborations and faculty, and research institutes such as Cornell's Research in Food and Energy Systems and Binghamton University's Strategic Partnership for Industrial Resurgence (SPIR).

Strategy #3. Grow Spending by International Visitors

Activity 3.A. Increase marketing alliance activities to enter into new foreign markets and expand penetration into existing markets. Existing markets include Germany, United Kingdom and China; while new markets consist of countries such as France, Russia, Argentina, Brazil and Israel.

Activity 3.B. Create more programmed itineraries that are bundled with transportation, quality lodging and attractions/activities with appeal to overseas international travelers to the Southern Tier, Fingers Lakes and Western NY. Play to the “authentic experience through development of agritourism (farm to table) and ecotourism as venues.

Activity 3.C. Create a friendly and welcoming atmosphere. Examples include welcome signage in the languages of targeted nations and training tourism destination staff in primary languages, culture and lifestyles of target groups. Finger Lakes Tourism Alliance is applying for a grant to create a “training institute” to educate tourism professionals – front-line people at major lodging facilities and tourism destinations to make them ambassadors for region.

Strategy #4. Grow Spending by International Students

Activity 4.A. Retain students in the Southern Tier through efforts such as:

- Educating employers about the H1 Visa Program and utilize the optional practical training; however, this can only be used by company with 50+ employees.
- Investigating the new Massachusetts law “Global Entrepreneur in Residence Program” intended to expand the foreign visa program to get around H1V cap. The state created a fund for universities to create an employment program to keep great foreign students to be specialized high tech workers and potential entrepreneurs.

Activity 4.B. Work with tourism agencies in the region to encourage visitation by families of foreign students.

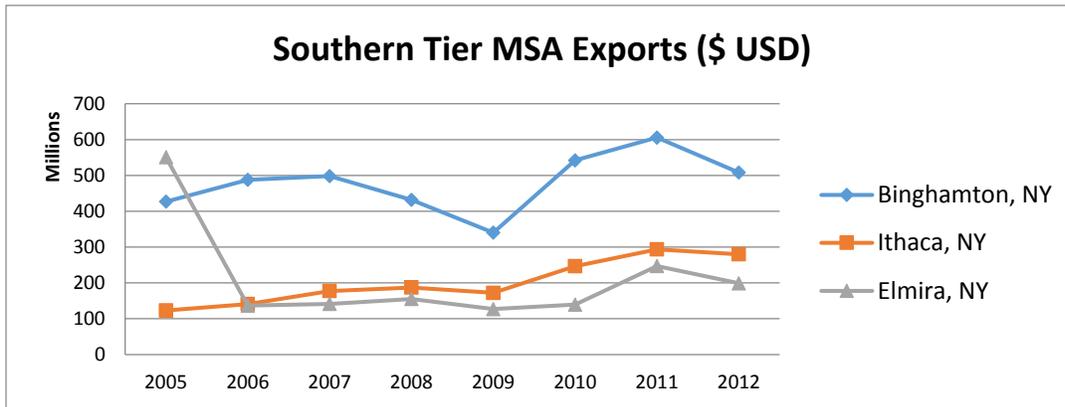
Activity 4.C. Leverage the Study NY program to attract more international students.

APPENDIX A.
Export Activity by MSA and County
In the Southern Tier

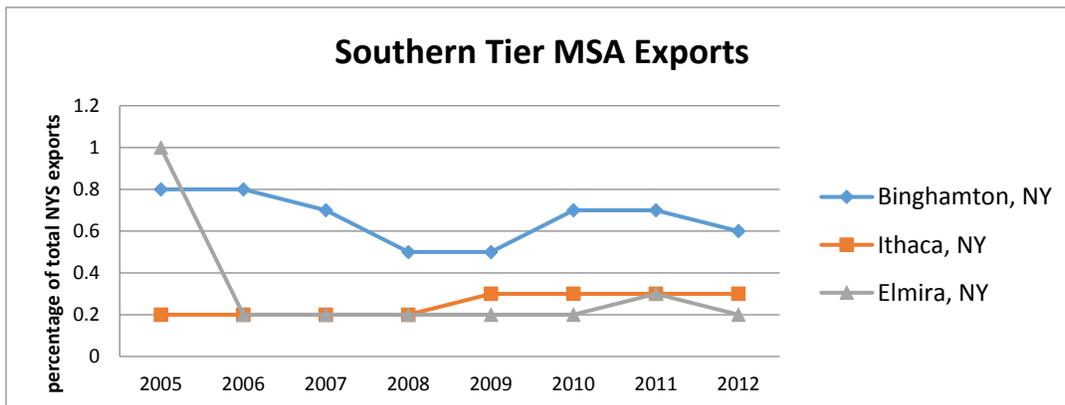
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More detailed information regarding these three MSA's and all eight counties in the Southern Tier Region is contained in the following pages.



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Binghamton MSA and Broome County

According to the International Trade Administration's 2012 report, the Binghamton MSA represents only .6% of the total export activity in New York State.

Based on the Brookings Institute 2012 analysis of export activity in the Southern Tier, Broome County's real export activity grew at an average annual rate of 8.1% during the pre-recession period (2003 – 2008); however, it dipped 13.6% in 2008-2009. The export activity rate picked up by 14.2% in 2009-2010, which brought it back to pre-recession levels. It then continued to grow at an annual rate of 1.3% during the recovery period (2008-2012), and has increased at an annual rate of 6.8% during the post-recession period (2009-2012).

The International Trade Association reports the following breakdown of export activity during 2012 in the Binghamton MSA.

Computer and Electronic Product Manufacturing	\$166,156,574	32.7%
Machinery Manufacturing	\$105,739,339	20.8%
Transportation Equipment Manufacturing	\$69,656,764	13.7%
Electrical Equipment, Appliance, and Component Manufacturing	\$58,072,893	11.4%
Wood Product Manufacturing	\$25,690,723	5.1%

The Brookings Institute analysis indicates that the most significant increase in export growth activity during the post-recession period has been in “Transportation Equipment” at 32.1% and “Beverages and Tobacco” at 27%.

Elmira MSA and Chemung County

According to the International Trade Administration’s 2012 report, the Elmira MSA represents only .2% of the total export activity in New York State.

Based on the Brookings Institute 2012 analysis of export activity in the Southern Tier, Chemung County’s real export activity grew at an average annual rate of 7.5% during the pre-recession period (2003 – 2008); however, it dipped 11% in 2008-2009. The export activity rate picked up by 21.6% in 2009-2010, which compensated for the sharp decline. It then continued to grow at an annual rate of 4.5% during the recovery period (2008-2012), and has increased at an annual rate of 10.3% during the post-recession period (2009-2012).

The International Trade Association reports the following breakdown of export activity during 2012 in the Elmira MSA.

Transportation Equipment Manufacturing	\$66,943,268	33.6%
Machinery Manufacturing	\$51,160,939	25.7%
Electrical Equipment, Appliance, and Component Manufacturing	\$26,442,674	13.3%
Computer and Electronic Product Manufacturing	\$21,794,139	11.0%
All Others	\$32,617,782	16.4%

The Brookings Institute analysis indicates that the most significant increase in export growth activity during the post-recession period has been in “Mining Goods” at 22.6% and “Beverages and Tobacco” at 21.8%.

Ithaca MSA and Tompkins County

According to the International Trade Administration’s 2012 report, the Ithaca MSA represents only .3% of the total export activity in New York State.

Based on the Brookings Institute 2012 analysis of export activity in the Southern Tier, Tompkins County’s real export activity decreased at an average annual rate of 0.6% during the pre-recession period (2003 – 2008); and, it fell 11.7% in 2008-2009. However, the export activity rate grew by 12.7% in 2009-2010, and continued to grow at an annual rate of 1.8% during the recovery period (2008-2012). It has increased at an annual rate of 6.7% during the post-recession period (2009-2012).

The International Trade Association reports the following breakdown of export activity during 2012 in the Ithaca MSA.

Machinery Manufacturing	\$111,861,866	40.0%
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Computer and Electronic Product Manufacturing	\$41,385,464	14.8%
Transportation Equipment Manufacturing	\$24,331,593	8.7%
Manufacturing (321-327)	\$7,499,645	2.7%

The Brookings Institute analysis indicates that the most significant increase in export growth activity during the post-recession period has been in “Beverages and Tobacco” at 53%, “Primary Metal” at 20.7%, and “Computers & Electronics” at 20%.

Chenango County

Based on the Brookings Institute 2012 analysis of export activity in the Southern Tier, Chenango County’s real export activity grew at an average annual rate of 6.7% during the pre-recession period (2003 – 2008); however, it dipped 6.4% in 2008-2009. The export activity rate picked up by 3.9% in 2009-2010. It then continued to grow at an annual rate of 2.3% during the recovery period (2008-2012), and has increased at an annual rate of 5.3% during the post-recession period (2009-2012).

The Brookings Institute reports the following breakdown of major export activities during 2012 in Chenango County.

Machinery Manufacturing	\$163,674,350	29.9%
Chemicals	\$99,060,318	18.1%
Transportation Equipment	\$55,469,418	10.1%
Royalties	\$33,200,275	6.1%
Agriculture	\$27,936,321	5.1%

Delaware County

Based on the Brookings Institute 2012 analysis of export activity in the Southern Tier, Delaware County’s real export activity grew at an average annual rate of 9.6% during the pre-recession period (2003 – 2008); however, it dipped 6.8% in 2008-2009. The export activity rate picked up by 3.6% in 2009-2010. It then continued to grow at an annual rate of 2.7% during the recovery period (2008-2012), and has increased at an annual rate of 6.1% during the post-recession period (2009-2012).

The Brookings Institute reports the following breakdown of major export activities during 2012 in Delaware County.

Chemicals	\$103,700,804	26.6%
Electrical Equipment	\$59,169,422	15.2%
Royalties	\$33,519,672	8.6%
Transportation Equipment	\$25,833,923	6.6%
Agriculture	\$22,917,540	5.9%

Schuyler County

Based on the Brookings Institute 2012 analysis of export activity in the Southern Tier, Schuyler County’s real export activity grew at an average annual rate of 12.4% during the pre-recession period (2003 – 2008); however, it dipped 8.3% in 2008-2009. The export activity rate picked up by 19.7% in 2009-2010, which compensated for the sharp decline. It then continued to grow at an annual rate of 5.4% during the recovery period (2008-2012), and has increased at an annual rate of 10.4% during the post-recession period (2009-2012).

The Brookings Institute reports the following breakdown of major export activities during 2012 in Schuyler County.

Machinery Manufacturing	\$15,004,565	18.2%
Agriculture	\$14,652,966	17.8%
Travel and Tourism	\$12,712,996	15.5%
Beverage & Tobacco Products	\$8,888,592	10.8%
Computers and Electronics	\$6,732,109	8.2%

Steuben County

Based on the Brookings Institute 2012 analysis of export activity in the Southern Tier, Steuben County's real export activity grew at an average annual rate of 10% during the pre-recession period (2003 – 2008). Steuben is the only county that continued a growth trajectory in 2008-2009, growing by .8%. The export activity rate continued growth by 2.5% in 2009-2010 and grew at an annual rate of 4.9% during the recovery period (2008-2012). Exports in Steuben County have continued to increase at an annual rate of 6.4% during the post-recession period (2009-2012).

The Brookings Institute reports the following breakdown of major export activities during 2012 in Steuben County.

Transportation Equipment	\$187,646,320	23.8%
Machinery Manufacturing	\$123,582,320	15.7%
Nonmetallic Mineral Products	\$88,182,419	11.2%
Agriculture	\$50,469,242	6.4%
Travel and Tourism	\$49,328,758	6.3%

Tioga County

Based on the Brookings Institute 2012 analysis of export activity in the Southern Tier, Tioga County's real export activity grew at an average annual rate of 13.9% during the pre-recession period (2003 – 2008); however, it dipped 16.9% in 2008-2009. The export activity rate picked up by 8.8% in 2009-2010, making up slightly half of the steep decline. It then was stagnant during the recovery period (2008-2012), and has increased at an annual rate of 6.3% during the post-recession period (2009-2012).

The Brookings Institute reports the following breakdown in major export activities during 2012 in Tioga County.

Royalties	\$51,607,967	8.4%
Medical Equipment, Sporting Goods	\$42,463,608	6.9%
Chemicals	\$31,271,734	5.1%
Electrical Equipment	\$22,441,071	3.7%
Travel and Tourism	\$19,799,389	3.2%

APPENDIX B.
International Inbound Tourism Spending

Top Countries Generating Tourism Traffic to the US in 2013

CANADA	1,592,051	5.6	1
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MEXICO	1,508,678	-2.9	2
JAPAN	318,840	1.8	3
UNITED KINGDOM	287,803	3.3	4
BRAZIL	235,757	12.3	5
GERMANY	130,779	2.9	6
PEOPLE'S REPUBLIC OF CHINA (EXCL HK)	122,464	23.5	7
KOREA, SOUTH	121,233	7.0	8
AUSTRALIA	112,950	4.3	9
FRANCE	110,273	12.3	10

Source, US International Trade Administration, Office of Travel and Tourism Industries, Summary of International Travel to the U.S. Report, Top Countries Generating Tourism Traffic to the US, May 2013

Activity Interests

Activity Participation While in the U.S. during 2009 (multiple response—top 10 of 25)				
	United Kingdom	Germany	France	Israel
<i>Shopping</i>	87%	84%	85%	89%
<i>Dining in Restaurants</i>	93%	82%	81%	86%
<i>Visit Historical Places</i>	40%	46%	54%	36%
<i>Sightseeing in Cities</i>	44%	39%	54%	36%
<i>Art Gallery/Museum</i>	21%	27%	41%	41%
<i>Visit Small Towns</i>	25%	33%	29%	27%
<i>Visit National Parks</i>	21%	31%	31%	20%

Source: Office of Travel and Tourism Industries, International Trade Administration, U.S. Department of Commerce

Foreign Tourist Dollars

According to data from Tourism Economics, visitors spent approximately \$804 million in the Southern Tier in 2010, up nearly 9% from the previous year.

Tourism Spending In the Southern Tier Region, 2009-10				
County	Tourism Region	2009	2010	% Change
Broome	Central	\$230,879	\$257,624	11.6%
Chemung	Finger Lakes	\$82,121	\$98,184	19.6%
Chenango	Central	\$26,663	\$28,371	6.4%
Delaware	Catskills	\$78,992	\$82,494	4.4%
Schuyler	Finger Lakes	\$26,374	\$27,329	3.6%
Tioga	Finger Lakes	\$30,173	\$34,422	14.1%
Steuben	Finger Lakes	\$112,790	\$118,614	5.2%
Tompkins	Finger Lakes	\$150,843	\$157,230	4.2%
Southern Tier Region		\$738,835	\$804,269	8.9%

Source, 2010 Tourism Economics commissioned by ESDC

According to Tourism Economics, local and state tax coffers benefitted substantially from tourism spending in the region. Local and state tax contributions attributed to tourism totaled an estimated \$103.3 million in 2010, resulting in an average benefit per household of \$412.

Local and State Tax Contributions From Tourism Spending, 2009-2010, Southern Tier Region						
County	Tourism Region	Local Taxes	State Taxes	Combined Taxes	Occupied Housing Units	Tax Benefit per Household
Broome	Central	\$ 17,096,675	\$ 15,971,653	\$ 33,068,328	82,167	\$ 402
Chemung	Finger Lakes	\$ 6,346,700	\$ 6,087,036	\$ 12,433,736	35,462	\$ 351
Chenango	Central	\$ 1,646,327	\$ 1,758,877	\$ 3,405,204	20,436	\$ 167
Delaware	Catskills	\$ 4,787,038	\$ 5,114,302	\$ 9,901,340	19,898	\$ 98
Schuyler	Finger Lakes	\$ 1,883,520	\$ 1,694,259	\$ 3,577,779	7,530	\$ 475
Tioga	Finger Lakes	\$ 2,598,438	\$ 2,604,771	\$ 5,203,209	40,344	\$ 129
Steuben	Finger Lakes	\$ 7,734,358	\$ 7,353,594	\$ 15,087,952	20,350	\$ 741
Tompkins	Finger Lakes	\$ 10,915,923	\$ 9,747,616	\$ 20,663,539	38,967	\$ 530
Southern Tier Region		\$53,008,979	\$50,332,108	\$103,341,087	265,154	\$ 412

Source, 2010 Tourism Economics commissioned by ESDC