

Global NY

TECH VALLEY STRATEGIES FOR EXPORT PROMOTION
AND FOREIGN INVESTMENT GROWTH



COMPANION STRATEGY DOCUMENT TO THE CAPITAL REGION ECONOMIC
DEVELOPMENT COUNCIL 2014 PROGRESS REPORT

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CREDC Strategies & Global NY

Tech Valley approaches the Global NY opportunity with a strong existing global orientation. The Capital Region Economic Development Council (CREDC) welcomes the opportunity presented by Global NY to further mainstream export promotion and Foreign Direct Investment (FDI) attraction into the Capital Region's economic development Strategic Plan. All CREDC goals are closely interrelated with Tech Valley's international competitiveness. The Council has integrated its Global NY strategies with its existing goals framework and ongoing priorities like job creation, arts and tourism, and agribusiness.



Tech Valley Global Successes

ROUND IV CFAS ADVANCING GLOBAL NY

- Castleton Paperboard
- Finch Modernization
- Morcon Tissue
- Port of Coeymans
- Weatherlab
- Premier Products
- CNSE Sensitive Compartmented Information Facility (SCIF)
- Zerobase

ROUND III AND PRIOR CFAS ADVANCING GLOBAL NY

- BioHarvest
- Ecovative Design
- Hacker Boats
- Olana
- RNA Institute at the University at Albany
- EB-5 Regional Center
- Duravent
- AMRI
- Eurial
- Cirque Eloise
- Adirondack Recreation Web Portal
- Calgary Flames
- Precision Extrusion Inc.

EXPORT SUCCESS STORIES - EXAMPLES

- AMRI
- EYP
- Mohawk (paper)
- Blasch Precision Ceramics
- Regeneron
- AgroChem
- Simmons
- Momentive Performance Materials
- Dynamic Systems Inc.
- Ross Valve
- Comfortex
- Applied Robotics
- Integra Networks
- Deep Blue Communications
- Polyset
- GE
- GLOBALFOUNDRIES
- Lo Nan Farms
- Adirondack Studios
- TransTech Systems
- Autotask
- Six Flags Great Escape
- Environment One
- Proctors
- Barton Mines
- Taconic
- Leosons International
- SI Group
- Kinentia Biosciences
- Precision Valve & Automation
- Pitney Bowes
- AWS Truepower
- CMP Industries
- XOS
- Carma Systems Inc.
- Integrated Medical Technologies
- EP&M International
- Hannay Reels
- Integrated Liner Technologies
- Specialty Silicone Products
- Capovani Brothers
- Ecologic
- 1st Playable
- Automated Dynamics
- IEM
- CMC-Kuhnke
- Tech Valley Partners LLC
- Adirondack Specialty Adhesives
- Met Weld International
- Solid Sealing Technology
- Demansys Energy Inc.
- PMBray LLC
- FirstLight Fiber
- Sunward Electronics Inc.
- Energy Answers International
- GHD
- GF Labels Development
- Saratoga Horseworks Ltd.
- Saturn Industries
- Pretium Packaging
- IBI Group
- Adirondack Plastics
- Manchester Wood
- Fort Miller Companies
- Cambridge Valley Machining
- Phantom Labs
- Fronhofer Tool
- Hollingsworth and Vose
- Telescope Casual Furniture
- M+W Group
- Duocommun
- NY Spring Water
- US Paper Counters
- Glaxo-Smith-Kline
- Precision Extrusion Inc.
- Saratoga Casino & Raceway
- All colleges/universities
- All hotels, hospitality, and entertainment & cultural venues

INBOUND FOREIGN INVESTMENT SUCCESS STORIES - EXAMPLES

- BioHarvest
- GLOBALFOUNDRIES
- SABIC
- Philips
- Tokyo Electron
- M+W Group
- BASF
- Saint-Gobain
- Virtusa
- Irving Tissue
- GLV Group
- Commonwealth Plywood
- Fortitech (DSM NV)
- National Grid (parent company)
- Callanan Industries (CRH)
- Applied Materials
- Hudson Valley Creamery
- Hannaford Brothers Co.
- Freihofer's
- GHD
- Oak-Mitsui
- Duravent
- Eurial
- Glaxo-Smith-Kline
- KLA-Tencor
- G. Kofi & Associates
- Von Roll
- Li & Fung
- Multiple SEMATECH partners

Assessment: Tech Valley's International Commerce Activity

EXPORTS

Exports have been a steady and significant contributor to the Capital Region's economy in recent years, helping to drive post-recession growth, as it did in many of the country's metropolitan areas. Exports for the eight-county Capital Region were valued at over \$5.7 billion in 2012. This represented a record 11 percent of the region's output, compared to 7.2 percent in 2003.¹

Goods accounted for 55 percent of export value, \$2.4 billion of it being manufactured goods. Service exports are particularly strong for this region, standing at 45 percent compared to the national rate of 29 percent.² This reflects the influence of our **arts, cultural, historic, and educational assets** in bringing foreign dollars to the region—a point that our Global NY strategies leverage heavily.

The following table shows major industry categories for which the eight-county region exported over \$100 million worth of goods or services.

Higher Education Spotlight

- At least 3,400 international students were enrolled in Capital Region colleges and universities in 2013
- Students at Rensselaer Polytechnic Institute came from 62 different countries
- Undergraduates at U. Albany came from 57 different countries
- The net contribution by international students in our region to the U.S. economy was \$99 million in 2013*

¹ Brookings ExportNation 2013 data.

² Ibid.

Major Industries in which 8-County Exports Exceeded \$100 million in 2012 ³		
Major Industry Name	Export Value	Share of Region's Exports
Chemicals	\$925 million	16%
Machinery	\$705 million	12%
Travel & Tourism	\$633 million	11%
Royalties	\$467 million	8%
Engineering Services	\$427 million	7%
Financial Services	\$320 million	6%
Computers & Electronics	\$319 million	6%
Medical Equipment, Sporting Goods	\$202 million	4%
Paper	\$169 million	3%
Insurance Services	\$160 million	3%
IT Services	\$150 million	3%
Management & Legal Services	\$130 million	2%
Agriculture	\$115 million	2%
Educational & Medical Services	\$111 million	2%

Based on data analysis in the Brookings Institution's Export Nation 2013 report, which looked at the Albany-Schenectady-Troy Metropolitan Statistical Area rather than the full eight-county region, the biggest export gains from 2009-2012 occurred in R&D services, semiconductors, and IP royalties. Engine and power equipment represented the biggest decrease in export value during that period, likely reflecting the extent that fluctuations in orders for major equipment can affect the region's export picture.

New York State's largest export market is Canada, with statewide merchandise exports to Canada standing at \$16.9 billion in 2013.⁴ Other countries that are important destinations for NYS exports include Greater China (including Hong Kong, China and Taiwan), Israel, Switzerland, the United Kingdom, Mexico and India.

Of New York State exporters, 94.3 percent are small and medium sized enterprises (SMEs) with fewer than 500 employees. They generated 60 percent of the state's total merchandise exports in 2012.⁵ Our region's export growth strategies focus in particular on SMEs for this reason, as well for their potential to increase production for foreign markets, which will create jobs here. The Capital Region is home to 733 manufacturers, 605 of which have fewer than 50 employees locally.

FOREIGN INVESTMENT

New York as a whole counted 410,500 jobs directly attributable to investment by companies based abroad, or 5.7 percent of the state's private sector workforce. That makes our state third in the nation for the number of jobs at U.S. subsidiaries (or 14th per capita.) More than 15 percent of these "insourced"

³ Ibid.

* Economic impact figure of international students extrapolated from NAFSA Association of International Educators' report using Institute of International Education Open Doors data, using a figure of 3,400 students. <http://www.iie.org/~media/Files/Corporate/Open-Doors/Special-Reports/NAFSA-Economic-Benefits-International%20Students-2013.ashx>

⁴ "New York: Exports, Jobs, and Foreign Investment," International Trade Administration, June 2014, <http://www.trade.gov/mas/ian/statereports/states/ny.pdf>.

⁵ Bureau of Economic Analysis data from the Organization for International Investment

jobs are in the manufacturing sector, accounting for 64,200 jobs.⁶ U.S. subsidiaries also compensate manufacturing workers at a rate 12.5 percent higher than domestically-based manufacturers, and in addition, every manufacturing job at a U.S. subsidiary has been found to support five indirect jobs.⁷ Tech Valley's global strategies include a focus on attracting FDI in advanced manufacturing, a trending industry in the region and one in which U.S. subsidiaries play a significant role.⁸

Regional FDI research recently made available for the first time by the Brookings Institution reported that the Albany-Schenectady-Troy metropolitan area counts 321 foreign owned enterprises. Foreign-owned retail establishments (primarily grocery stores) employ 3,900 people alone, and foreign-owned "business support" sector companies employ another 3,400.⁹ The top five sources of foreign investment here by country in 2011 were Belgium, France, the United Kingdom, Switzerland, and Sweden. The Brookings report also found that 4.4% of the Albany-Schenectady-Troy metropolitan area's private workforce is employed by majority-owned U.S. affiliates of foreign companies, ranking us 62nd out of the 100 largest metropolitan areas.¹⁰ This also does not take into account significant numbers of people employed by companies backed by major international investments, such as GLOBALFOUNDRIES. Furthermore, while the national average has remained relatively flat since 1991, the percentage of Capital Region workers employed by U.S. affiliates of foreign companies (4.4%) represents a doubling since that year.

The figure is likely to increase over time as a long-term result of major public-private investments like the new \$500 million New York Power Electronics Manufacturing Consortium announced in July by Governor Cuomo, to be located in the Capital Region and led by GE and managed through the SUNY College of Nanoscale Science and Engineering. The move promises to create at least 500 jobs in the Capital Region, and the over 100 private companies involved in the consortium represent significant foreign investment potential. Taken together with the Global 450 Consortium, SEMATECH, and other investments, Tech Valley is truly on the global stage.

Existing Regional Strategies

Tech Valley approaches the Global NY opportunity with a strong existing global orientation. The region employs many strategies to boost exports and to increase inbound foreign investment, as noted in the table below. And for nearly 30 years, we have collectively invested in the Tech Valley Global Business Network and robust international industry attraction campaigns, providing a significant foundation to leverage in support of Global NY.

⁶ Organization for International Investment, <http://ofii.org/resources/jobs-by-state/new-york>.

⁷ Ibid.

⁸ Organization for International Investment, http://ofii.org/sites/default/files/OFII_Quarterly_Manufacturing_Publication_Edition1_0.pdf.

⁹ "FDI in Albany, NY," "FDI in U.S. Metro Areas: The Geography of Jobs in Foreign-Owned Establishments," Brookings Institution, June 2014, <http://www.brookings.edu/~media/Research/Files/Reports/2014/06/20%20fdi%20us%20metro%20areas/profiles/ALBANY.pdf>.

¹⁰ Devashree Saha, Kenan Fikri, and Nick Marchio, "FDI in U.S. Metro Areas: The Geography of Jobs in Foreign-Owned Establishments," Brookings Institution, June 2014, <http://www.brookings.edu/~media/research/files/reports/2014/06/20%20fdi%20us%20metro%20areas/metrofdi.pdf>.

Spotlight: Tech Valley Global Business Network (TVGBN)

TVGBN is a volunteer-based, not-for-profit collaboration of five area business membership organizations dedicated to providing education and networking opportunities for expanding international trade in New York's Tech Valley. TVGBN is open to any member of the Albany-Colonie, Rensselaer, Schenectady, and Southern Saratoga Chambers of Commerce and the Center for Economic Growth.

With roots that date back to 1986 in the Capital Region, TVGBN's mission is to enhance the growth and prosperity of the international business community by supporting companies both currently engaged in – or thinking about – global business. It offers valuable networking relationships and provide practical educational opportunities for expanding international trade, while encouraging active participation among all organizations with serious interest in international business.

Several of the Council's Global NY strategies leverage TVGBN and warrant continued and enhanced investment in this forum, from utilizing its network to disseminate messaging about exporting as a business growth strategy; to celebrating success stories; to developing a communications system that fosters relationships that can lead to foreign investment and overseas market opportunities.

In addition to the TVGBN, the following organizations, initiatives, and assets represent existing and emerging tools for promoting exports and inbound foreign investment in Tech Valley.

Export Promotion	Foreign Investment Attraction
REGIONAL	
<ul style="list-style-type: none"> ■ Tech Valley Global Business Network ■ U.S. Commercial Service's Westchester NY Export Assistance Center (various matching and partner search programs) ■ Chief Executives Network for Manufacturing ■ Center for Economic Growth programs including ExporTech, TechConnex, BioConnex, other industry networks, and the Regional Technology Development Center ■ Small Business Development Center ■ Empire State Development (ESD) Regional Office ■ R&D centers and universities ■ International Center of the Capital Region ■ Chambers of Commerce ■ Shippers and freight forwarders ■ Legal service providers (e.g. intellectual property practices) ■ Trade finance providers ■ Trade show exhibit service providers ■ Export market consulting practices ■ Translation services ■ Free export/shipping seminars from Mohawk Global Logistics and Mainfreight USA 	<ul style="list-style-type: none"> ■ Center for Economic Growth ATTRACT campaigns (including NY ♥ Technology) ■ National Grid (Strategic Economic Development Program, etc.) ■ EB-5 Regional Center (Center for Economic Growth) ■ 23 public and private colleges, universities, R&D centers ■ International Center of the Capital Region (ICCR) ■ START-UP NY and affiliated programs ■ Legal service providers (e.g. immigration practices) ■ Chambers of Commerce ■ Tech Valley Connect ■ Ethnic community-based organizations ■ Ethnic business associations ■ Eastern NY Angels Network, Upstate Venture Association of New York, and other angel investors and venture capitalists ■ Business Incubator Association of NYS ■ Incubators and accelerators; Acclerate518

<ul style="list-style-type: none"> ■ Firms currently engaged in exporting ■ Incubators and accelerators; Acclerate518 ■ Shipping infrastructure (Albany International Airport, Port of Albany-Rensselaer, Thruway Authority) ■ Foreign Trade Zone #121 serving all 8 Capital Region counties 	<ul style="list-style-type: none"> ■ Rensselaer Polytechnic Institute NYS Certified Business Incubator ■ Tech Valley NYS Certified Business Incubator ■ Tech parks and business parks ■ Developers, building owners, and real estate brokers ■ County and municipal economic development departments ■ Planning boards and zoning boards ■ Utilities
STATEWIDE	
<ul style="list-style-type: none"> ■ Study NY ■ Taste NY ■ ESD International Division (e.g. export assistance and trade mission programs, Business Mentor System) ■ STEP Program (State Trade and Export Promotion grant from SBA to ESD) ■ NY-MEP Program (Manufacturing Extension Partnership) ■ NYS Economic Development Council 	<ul style="list-style-type: none"> ■ START-UP NY program and sites ■ NY Open for Business ■ Office for New Americans (Department of State) ■ Innovation NY Network ■ Innovation Hot Spot Program ■ NY Innovation Venture Fund ■ NYS Economic Development Council ■ Regional economic development organizations in other 9 NY regions
NATIONAL	
<ul style="list-style-type: none"> ■ National Export Initiative (NEI) ■ Department of Commerce International Trade Administration ■ Brookings Institution Metropolitan Export Initiative ■ Export-Import Bank of the United States ■ Small Business Administration training, financing, and online tools ■ U.S. Chamber of Commerce 	<ul style="list-style-type: none"> ■ SelectUSA ■ Department of Commerce International Trade Administration

Strategies for Tech Valley in a Global NY

The Council welcomes the opportunity presented by Global NY to further mainstream export promotion and FDI attraction into the Capital Region’s economic development plan. CREDC has established a **Global NY Work Group** to serve as the core team for convening, championing and guiding the following strategies for boosting exports and attracting inbound foreign investment. The Work Group consists of both Council members and non-Council members with a cross-section of relevant expertise.

CREDC Global NY Work Group

- Council members F. Michael Tucker and Omar Usmani
- Co-Chair representatives Vincent Delio, Kim Fine, and John DePaola
- Representation from the Center for Economic Growth, 8-county chambers of commerce, Tech Valley Global Business Network, International Center of the Capital Region, EB-5 Regional Center, New York State Economic Development Council, ESD Regional Office (Kathryn Bamberger), Albany-Tula Alliance (Russian sister-city agreement), and colleges and universities
- Representation from relevant private sector services, initially including global accounting (UHY Advisors), intellectual property law (Heslin Rothenberg Farley & Mesiti P.C.), and logistics (Mainfreight USA and Mohawk Global Logistics)
- Jerry Shaye of Shaye Global and former ESD international trade development director
- Liaison activity with the Capital Region Local Government Council and the CEG-facilitated alliance of county and municipal economic development offices

The Council recognizes that although our strategies are tailored to regional strengths and opportunities, Global NY has important statewide dimensions, as global investors' and global markets' understanding of the NY brand will impact all 10 regions' success rates. As Global NY takes shape in the coming year, Tech Valley is mindful of the need to synchronize and share our region's strategies with others across the state and to learn from their successful practices. We will work to ensure that our businesses and strategies fully exploit state programs and resources ranging from the State Export Promotion programs through ESD's International Division, to Taste NY, to I ♥ NY, to the Department of State's Office for New Americans. Furthermore, this Council fully supports the governor's ongoing investment in the state's capacity to advance our collective international economic relations.

This section identifies strategies CREDC will employ to advance the Global NY vision, including ways to leverage existing and emerging regional assets and initiatives. Strategies have been informed by the 8 goals of the Strategic Plan, the international commerce activity assessment, a public input session, and surveys tailored to businesses, internationally-focused organizations, institutions of higher education, and local governments' economic development offices.

Strategies in this section follow the outline below, and are divided into near- and longer-term tactics.

Export Promotion Strategies

1. Target key industries and geographies
2. Develop a pipeline of quality exports of goods
3. Advance the region's service exports (in particular by leveraging our arts, culture, tourism and higher education assets)
4. Forge a transparent, coordinated system of export assistance services

Foreign Investment Attraction Strategies

5. Leverage our arts, cultural, educational and non-profit institutions
6. Leverage START-UP NY and the new EB-5 Regional Center
7. Proactive outreach to targeted industries and geographies
8. Ease the path for inbound foreign investors

Except where otherwise noted, strategies and tactics will be implemented by the Council's Global NY Work Group and the Center for Economic Growth, in coordination with the Tech Valley Global Business Network. We anticipate soliciting business and stakeholder financial support and pursuing appropriate Consolidated Funding Application resources.

EXPORT PROMOTION STRATEGIES

Strategy 1: Target key industries and geographies

Based on the international commercial activity assessment, surveys, and existing CREDC strategic industry focuses, the Council will target the following industries for export growth:

- Tourism / I ♥ NY, with a focus on extending Canadian tourists' southern reach and attracting more foreign NYC tourists northward utilizing our arts and cultural institutions and entertainment venues in particular; as well as preparing to capitalize on the new Albany Capital Center as a site for international conferences
- Energy. Both traditional and renewable energy companies have a long tradition in our region, starting with GE. Currently, the Capital Region hosts at least 25 companies that either sell products or provide services in this sector.
- Equipment for the railroad industry
- Paper products and pulp and paper machinery
- Medical devices and other biotech products/services
- Higher education (international student enrollment and online and other overseas delivery models)
- Medical services
- Niche opportunity areas as further identified (e.g. equestrian exports)
- Agricultural products (including by encouraging Capital Region agricultural companies to take advantage of special state and federal agricultural export incentives)

And the Council will target the following export markets with potential trade missions to:

- Free Trade Agreement (FTA) partner countries in general (Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, South Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Singapore), which are typically strong trading partners with markets for U.S. products and relatively stable business environments
- Latin American FTA partner countries in particular as under-explored but viable export markets
- Canada, and in particular Ontario in addition to traditional regional focus on Quebec
- China's Jiangsu Province, which represents one of the country's larger concentrations of purchasing power and strong industry cluster parallels to Tech Valley. (Jiangsu Province's Trade & Business Representative Office for the Eastern U.S. is located in Albany.)

Strategy 2: Develop a pipeline of quality exporters (goods)

The Global NY Work Group will promote exporting as a growth strategy in the business community and identify and refer potential exporters to export support resources, providing high-level assistance and positioning them for success in new or additional export channels. The Work Group will employ the following focuses and tactics:

- Target companies in the \$5-10 million, 40-50 employee range, e.g. those that are in a position to scale up quickly.
- Target companies that are already exporting in smaller volumes and to less complex markets like Canada and Mexico.
- Prioritize manufacturers, which have been largely responsible for the stronger-than-expected export resurgence in the wake of the recession. (Among the 733 manufacturers in the Capital Region, 147 have between 20 and 49 local employees.)
- Consider an additional focus on food and producers, in tandem with statewide Taste NY efforts and the NYS Department of Agriculture and Markets.

Near-Term Tactics
Convene the Center for Economic Growth (CEG, the regional economic development organization), CEG's regional Chief Executives Network for Manufacturing (CEN), chambers of commerce, and county- and city-based economic developers to continuously identify companies with strong export growth potential.
Conduct export readiness assessments in conjunction with the U.S. Department of Commerce Westchester Export Assistance Center and the ESD International Trade Specialist.
Facilitate roundtables and other discussions among existing exporting Tech Valley companies to share information about their respective overseas distribution channels and strategies, to uncover more efficient ways for them to boost sales abroad.
Disseminate coordinated messages about exporting as a business growth strategy in the communications of CREDC, Center for Economic Growth, Chief Executives Network for Manufacturing, chambers of commerce, local trade groups, Tech Valley Global Business Network, local governments, and others.
Disseminate coordinated messages about exporting as a business growth strategy in the communications of CREDC, Center for Economic Growth, Chief Executives Network for Manufacturing, chambers of commerce, local trade groups, Tech Valley Global Business Network, local governments, industry networks (e.g. TechConnex and BioConnex), and others.
Cultivate and support CFAs that support the expansion of companies for which these expansions will enable export growth.
Longer-Term Tactics
Start a Tech Valley foreign trade newsletter that informs businesses of export assistance services, resources, opportunities, and success stories; as well as to continually educate companies on the process for successful export market penetration (product development, an informative and ideally multilingual website, market research and selection, identification of distributors and end users, tips for succeeding at trade shows, etc.).
Boost target-audience attendance and networking at Tech Valley Global Business Network events.
Celebrate success stories in media and through events like the annual Tech Valley Global Business Network Excellence in International Trade Award "Globies," as well as the new Tech Valley foreign trade newsletter.
Develop capacity to track regional export successes on a firm and industry level through the FuzeHub portal, an initiative that connects New York's small and mid-sized manufacturers to resources, programs, and expertise they need for commercialization, innovation, and growth.

Engage major exporters like GE to determine how regional support and advocacy can assist them in sustaining and increasing their significant contributions to Tech Valley's export numbers. Ask large, successful exporters to lend their expertise to SME exporters in periodic programs.

Strategy 3: Advance the region's service exports

Near-Term Tactics

The Council's Global NY Work Group will work with the Arts, Culture, and Tourism Work Group to maximize the synergy between the Global NY strategies and Goal 7 (showcase our beauty). Projects involving arts, culture, and tourism will be encouraged to account for the international tourist market, and the Council will cultivate I ♥ New York CFA proposals that target international tourism. The Council will engage with the region's Convention & Visitors Bureaus and chambers of commerce to develop a better understanding of existing and promising tourism markets as they relate to Tech Valley's attractions.

Boost international student enrollment in the region's colleges, universities, and high schools.

- Leverage the extensive existing global partnerships of the Capital Region's colleges and universities by convening representatives responsible for those institutions' global initiatives.
- Initiate a dialogue among regional colleges' leaderships and enrollment/admissions staff to identify successful tactics and to encourage them to engage in collaborative international marketing.
- Encourage more regional colleges to participate in Study NY, and to identify ways to extend the resources and impact of Study NY. Study NY held a statewide conference at Sage Colleges in Troy on June 19th, 2014.
- Encourage the development of online education models (such as the State University of New York's "Open SUNY" initiative) that make educational services provided by the Capital Region available to students abroad.
- Encourage the development of more dual-degree offerings in which international students can earn a diploma from both a Capital Region college and a college in his/her home country (an increasingly attractive option to middle-class international families without the resources to send students through full U.S. degree programs).
- Support community college's recent efforts to provide student housing, an attraction factor for international students.
- Convene leaders of the region's private K-12 schools and public schools with exchange programs to identify strategies for further boosting international enrollment.

Longer-Term Tactics

Create a Service Exporting Advisory Team, to be overseen by the Global NY Work Group, to serve as the first stop for a potential service exporter to inquire about applicable requirements in the foreign market regarding joint ventures, licenses, and quotas or other limits.

Identify companies with export growth potential in key service export industries (financial services, engineering services, architectural services, legal services, IT services, design services, other consulting, etc.). Service exporters require different strategies that require more personal contact with potential foreign partners. With guidance from the International Center of the Capital Region, we will continue to coordinate trade missions with the U.S. Commercial Service or the worldwide network of American Chambers of Commerce in important foreign cities focused on sectors such as engineering and architectural services.

Working with Innovate 518 (see 2014 CREDC Priority Project list), develop infrastructure to market Tech Valley-developed intellectual property to international users (royalties from such IP constitutes a service export). Work with incubators and the Business Incubator Association of NYS (including the Rensselaer Polytechnic Institute and Tech Valley NYS Certified Incubators), any future regional Innovation Hot Spots, university research offices, and other regional R&D sites to encourage and facilitate the marketing of regionally developed IP to foreign businesses and academic institutions, particularly in the fields of

nanotechnology, biotechnology, cleantech, and advanced materials.

Strategy 4: Forge a transparent, coordinated system of export assistance services

Near-Term Tactics

CEG, chambers of commerce, and county- and city-based economic developers will educate businesses about assistance available to them and actively refer promising or interested exporters to local, regional, state, and federal resources. Resources are listed in the “Existing Regional Strategies” section above, but key resources at this stage include:

- The U.S. Commercial Service. USCS offers Gold Key Matching Service; International Partner Search; International Company Profile Service; and the International Buyer Program. Its officers stationed abroad can be accessed via the Westchester Export Assistance Center.
- American Chambers of Commerce abroad, which can help cultivate overseas markets.
- The National Export Initiative “NEI/NEXT,” which includes data and other tools to identify and seize foreign market opportunities.

Develop and make available a full inventory of export assistance and support services available in the Capital Region and their providers. The inventory should include export training and consulting services, export financing providers, legal/regulatory/IP service providers, logistics and freight forwarding providers, customs brokers, trade show exhibiting service providers, etc. Identify overlap, gaps, and areas in need of strengthening.

Promote this system of coordinated services in the communications of CREDC, CEG, CEN, chambers of commerce, local trade groups, Tech Valley Global Business Network, local governments, regional ethnic social and community groups, and others.

Support Capital Region representation at the federal “Made in Rural America” export forum to be held in Cortland in September, encouraging the region’s agricultural businesses to participate in this initiative to connect rural businesses with federal resources to access overseas markets.

Longer-Term Tactics

Stand by for further developments and information on new ESD International Division programs related to Global NY and START-UP NY.

Utilize regional university students, under the supervision of faculty and deans, to carry out market research to identify highest potential markets for companies poised for export growth.

Facilitate roundtables and other discussions among existing exporting Tech Valley companies to share information about their respective overseas distribution channels and strategies, to uncover more efficient ways for them to boost sales abroad.

Encourage the utilization of regional (Business Opportunities to Success Summit) and state (Business Mentor NY) business mentorship initiatives with a focus on export mentorship.

FOREIGN INVESTMENT ATTRACTION STRATEGIES

In response to Governor Cuomo’s call for regions to emphasize regional economic supply chain strengths, the **Council has chosen to approach Global NY investment attraction through the region’s status as the anchor of New York’s nanotechnology industry.**

The region’s strengths in nanotechnology are well known. SEMATECH, the global consortium of semiconductor manufacturers with headquarters in Albany, is the site of important international efforts to

reduce the time from innovation to manufacturing. The College of Nanoscale Science & Engineering's Albany NanoTech Complex offers 300 corporate partners access to an unmatched ecosystem and equipment for leading-edge nanotechnology R&D and commercialization, and is the site of the world's most advanced university-driven research enterprise. GLOBALFOUNDRIES represents one of the largest foreign direct investments in New York State, and the company's deal this year with Samsung to jointly produce more advanced computer chips further secures its position with chip customers globally.

The applications of nanotechnology extend to other key Capital Region industry clusters including advanced materials, biotechnology, cleantech, and IT. The Council's Global NY strategies will compound the successes of nanotechnology and semiconductor research, development and manufacturing, and help to cement the vision of additional anchors of nanotech-related assets throughout upstate, making the state a more robust and enduring destination for high-tech investment.

Strategy 5: Leverage our arts, cultural, educational, and non-profit institutions

Near-Term Tactics
Develop channels and market CEG's new EB-5 Regional Center to the region's international students and their families, capitalizing on their familiarity with and affinity for the Capital Region; as well as to regional ethnic community groups and cultural organizations and alumni of the International Center of the Capital Region.
Better leverage the International Center of the Capital Region (ICCR), which is a national leader in the federal Department of State's International Visitor Leadership Program, hosting foreign delegations consisting of over 200 emerging opinion-shapers from around the globe over the past year. Alumni of this program frequently rise to positions of influence in their home countries and represent a rich network of individuals who have an affinity for and knowledge of Tech Valley and can potentially influence investment decisions. In addition to engaging in targeted promotion of the region to this alumni network, the Council will work with ICCR to host a breakfast event for each visiting foreign delegation to which the business community and campus- and community-based international organizations will be invited.
Work with entertainment and hospitality venues to increase international visitors to our arts and cultural institutions, by showcasing both home-grown arts and cultural assets and those from abroad. (Example: Over the past 19 months, Proctors has counted patrons from at least 16 different countries and attracted international attention with its hosting of Montreal's renowned Cirque Éloize.)
Continue to align the CREDC's "Showcase Our Beauty" strategies with the Governor's Path Through History initiative.
Longer-Term Tactics
"Keep Our Talent" and "Come Back and Come Buy": Conduct an advertising campaign in the alumni magazines of regional colleges and universities highlighting the region as a great place for international alumni to return to live, work, play and invest; or to source products and services.
Study and potentially replicate Massachusetts' pilot "Global Entrepreneur in Residence Program" to retain greater numbers of highly skilled international graduates and stem their annual brain drain. The program offers international graduates who are qualified to apply for H-1B visas and engaged in creating new businesses the opportunity to affiliate with colleges and universities, institutions that are not subject to federal H-1B visa caps.
Cultivate investment opportunities linked to our international residents. Build relationships with and among Tech Valley's ethnic community centers, cultural centers, chambers of commerce, and student groups, offering informational sessions regarding Tech Valley as a destination for foreign investment and familiarizing them with the EB-5 Regional Center.

Spotlight: International Center of the Capital Region

ICCR is one of the U.S. State Department's top three centers nationwide for the International Visitors Leadership Program. Since 2013 alone, ICCR has brought delegations from over 50 countries to the Capital Region. These visitors represent a variety of disciplines, leave Tech Valley informed about the region's strong industry, government, and education assets, and frequently rise to positions of influence in their home countries. The Council will work with ICCR on systematic and long-term outreach to its global alumni to promote Tech Valley as a destination for foreign investment.

Regional qualities and assets to market
Longstanding reputation as a hub of innovation and technological advancement
Established and expanding high-tech industry clusters (advanced materials, IT, biotech, nanotech/semiconductors, cleantech) and advanced manufacturing
Proximity to key consumer markets and in some cases suppliers
Extensive higher education sector and first-class R&D centers
Skilled and productive workforce
Geographic positioning as a natural logistics and transportation hub
High quality of life
Diverse regional economy
Diverse regional population
EB-5 Regional Center (CEG)
Foreign Trade Zone status (FTZ #121 covers all 8 counties plus Fulton and Montgomery)
State qualities and assets to market
START-UP NY
Governor Cuomo's NY Open for Business focus
Innovate NY Fund
Innovation Hot Spots
Mentor NY
FuzeHub (asset to any manufacturer locating in NYS)
National qualities and assets to market
U.S. open investment policy (equal treatment of domestic and foreign investors)
Predictable regulatory climate
Business environment marked by transparency, protection of intellectual property, and the rule of law

Strategy 6: Leverage START-UP NY and the new EB-5 Regional Center

Near-Term Tactics
Tout the region's START-UP NY sites as exceptional tax-free opportunities for new and existing foreign companies to locate or expand.
Develop a communications system, distribution list, and information clearinghouse, potentially under the auspices of the Tech Valley Global Business Network, to maximize opportunities for the development of relationships that can lead to foreign investment and exports. This system will collect and publicize information about 1) foreign delegations that will be hosted here by the International Center of the Capital Region; 2) international delegations visiting our colleges and universities; and 3) conventions or industry events to be held locally that may attract potential international investors or customers.
Highlight CREDC Goal 8 (spotlight our strengths) as the foundation for how the Council will address the governor's call for boosting inbound foreign investment.
Longer-Term Tactics
Develop a cohort of Tech Valley Ambassadors charged with educating others about the assets that our region offers to companies looking to expand or locate here. Provide the ambassadors with a toolkit and

key site visits and provide a structure for regular communication with and among ambassadors. Ambassadors should include professionals in the region who have experience forging trade and investment relationships abroad or managing foreign accounts.

Organize a familiarization tour of the Capital Region for foreign consuls general and commercial attaches based in New York City to create a positive impression, showcasing our assets and indicating a desire to welcome potential investors from their home countries. A similar program coordinated by ESD was held several years ago with excellent participation. The Council will coordinate this event with the Society of Foreign Consuls in New York, as well as with ESD in order to potentially include visits to other upstate regions during the same tour.

Market Tech Valley in print and online advertising campaigns directed to international trade associations, site selectors, and other key audiences. Leverage existing marketing campaigns (NY Open for Business, NY ♥ Technology and its sub-campaigns, Be in the Middle of Everywhere, etc.) for messaging consistency.

Strategy 7: Proactive outreach to targeted industries and geographies

The Council and its Global NY Work Group will employ the following focuses and tactics:

- Three regional niche “clusters”—defined in this case as five or more companies providing products or services to the same customer or customer type—have been identified for purposes of marketing to investors seeking locations with a substantial customer and/or supplier base: rail equipment, energy, and nanotechnology. (Nanotechnology, in turn, has cross-cutting applications in biotechnology, advanced materials, semiconductor, clean tech, and other industries.) The Council will engage with economic development organizations to implement supply chain initiatives specific to these clusters.
- Identify and target foreign companies with existing FDI in the United States.
- Consider proactive tactics for seizing on the “re-shoring” trend (engaging with the increasing number of multinational companies who are considering relocating production to U.S. shores), especially those that build on the wave of U.S. subsidiaries in the advanced manufacturing field.
- Target sectors with the largest FDI and foreign portfolio investment growth in the U.S. (from 2008-2012, “manufacturing: petroleum refining and extraction” FDI grew 58%; “manufacturing: petroleum and coal products” grew 47%; “depository institutions / banking” grew 29%; “professional, scientific, and technical services” grew 17%; and “manufacturing: chemicals” grew 11%).
- Focus on countries and world regions that have sent delegations to tour Tech Valley, utilizing relationships facilitated by the International Center of the Capital Region and other responsible entities.
- Focus on Canada, particularly Ontario in addition to the region’s traditional relationships with Quebec (the latter evidenced by a recent conference on cross-border economic development and innovation co-hosted by the Center for Economic Growth and the Quebec Delegate General in NY). Consider a mission to Ontario, a significant source of FDI to the United States.
- Focus on Abu Dhabi and other United Arab Emirates, at the government, sovereign wealth fund, and private sector levels, leveraging existing relationships that led to the GLOBALFOUNDRIES investment.
- Focus on China’s Jiangsu Province, utilizing the Albany-based Jiangsu Province Trade & Business Representative Office to identify potential investors from this economic powerhouse region of China.

Near-Term Tactics
Continue the NY ♥ Nanotech industry attraction campaign (a joint initiative of the Center for Economic Growth, National Grid, and ESD/NYSTAR), strengthening the state and region's brand as an international hotspot for the nanotechnology and semiconductor industry. Continue representation at global nanotechnology industry conferences and trade shows. Our region is in discussions with others across the state to pursue a structure, facilitated by the New York State Economic Development Council, to support ongoing regional business marketing strategies aimed at foreign markets and a statewide business marketing program that focuses on key strategic industries in an effort to increase exports by New York businesses and expand foreign direct investment here, in a manner complementary to the larger "Open for Business" advertising campaign.
Strengthen our focus on attracting potential supply chain companies with an interest in providing goods and services to GLOBALFOUNDRIES and its first- and second-tier suppliers.
Continue implementing the National Supply Chain Network Initiative (NSNI), announced at the 2013 Clinton Global Initiative's CGI America conference in Chicago and being facilitated by GLOBALFOUNDRIES with partnership from the Center for Economic Growth and others. NSNI will create a regional pilot in Tech Valley that better connects the supply chain to markets as well as information needed to facilitate innovation through the development of an online network and the use of existing physical assets/organizations as facilitative entities. Regional representation at the invitation-only CGI America for the past few years has further focused the national spotlight on innovation and economic progress in Tech Valley.
Leverage CEG's ATTRACT activities (six sectors, NY ♥ Technology, NY ♥ Nanotech, NY ♥ Cleantech, NY ♥ Bio, Be in the Middle of Everywhere Campaign, cold calls, trade shows, industry events, familiarization tours, etc.), increasing the focus on foreign investors and START-UP NY candidates, with attention to cross-regional opportunities.
Assign a single entity to work with federal SelectUSA representatives to ensure that they have direct and updated knowledge of the region's assets and qualities and that they have a direct line to a single point of contact.
Longer-Term Tactics
Boost the region's already-strong royalties "exports" with a focus on nano-derived intellectual property.
Consider hosting a local event (together with the North Country REDC) for Canadian suppliers to semiconductor manufacturers to ultimately interest them in locating in this market.
Engage in discussion with large regional enterprises (e.g. GLOBALFOUNDRIES, GE) to explore pathways to attracting their suppliers to establish a regional presence.
Strive to replicate the process by which Israeli biotech firm BioHarvest was made aware of opportunities in Tech Valley and incentivized to invest in the region (e.g. research partnership and co-location with a university, CFA for an ESD grant, supply chain proximity).
Understand and utilize the U.S. Department of Commerce SelectUSA program in best investment prospect countries. Consider participation in SelectUSA's facilitated investment missions and Single Location Promotion programs.

Strategy 8: Ease the path for inbound foreign investors

Near-Term Tactics
Develop and publicize an inventory of the interconnected resources for attracting and supporting foreign investment (from federal and state programs to local private sector service providers to programs like Tech Valley Connect).
Work to connect foreign-invested companies with existing business assistance programs (CEG's business growth services such as the Regional Technology Development Center, SBDC services, FuzeHub, etc.).
Highlight existing resources and initiatives that promote the region's diversity and a welcoming

environment for international professionals and investors (e.g. Tech Valley Connect).
Cultivate CFAs from companies seeking ESD incentives to invest from abroad.
Longer-Term Tactics
Form a committee to provide initial limited support or advisement to incoming foreign investors on a volunteer basis, to help ensure a “soft landing.” Committee should include representatives from or expertise involving incubators, insurance, international financing/accounting, regulatory affairs, immigration law, securities and tax law, corporate law pertaining to SMEs, international banking, logistics, infrastructure, colleges/universities, and organizations providing support for international residents.
Develop a centralized, online, layered, GIS-enabled inventory of regional sites and infrastructure for use by potential investors, developers, and those assisting them with location decisions. (Current Center for Economic Growth / Tech Valley & Beyond infrastructure initiative.)
Continue efforts to expand service and reduce consumer costs at Albany International Airport

Cross-Regional Collaboration: North Country

Tech Valley and the North Country have historically collaborated on promoting international trade and investment, primarily with Canada. Under Global NY, our two Councils have identified the following areas for sustained collaboration:

1. Proactive leadership in the development of the **Quebec-New York Corridor**, and the companion Quebec-NY Green Corridor Council focused on sustainable industry clusters. The Center for Economic Growth and the North Country Chamber of Commerce have facilitated much of the corridor economic development exploration since the corridor’s establishment in the 1990s, and collaborated in April with the Quebec Delegate General to New York to host a “Quebec-NY: Partners in Innovation” conference focused on building out key cross-border economic and R&D clusters in strategic industries. Our Councils recognize the increasing integration of the U.S. and Canadian economies, and we remain committed to the pursuit of shared prosperity within our bi-national region through collaboration and partnership in transportation, border operations, technology, education, energy, tourism and cross-border economic development. We are committed to periodic summits, which have been valuable in developing cross-border commercial activity. We are also committed to working with the North Country toward a Quebec-New York Economic Summit process in 2015, to include progress toward an eventual full Summit while identifying other collaborative opportunities in the interim.
2. Exploration of cooperation and referrals between the regions’ respective **EB-5 Regional Centers**, facilitated by the Center for Economic Growth. Together with the North Country Regional Economic Development Council (NCREDC), we will also seek and encourage a statewide conversation, including Empire State Development, about how best to collaboratively utilize this economic development tool in New York State.
3. Continued cross-regional (Capital Region, North Country, Mohawk Valley) support for the **Adirondack Park Recreation Web Portal**.
4. Joint exploration of cross-regional **infrastructure** challenges, particularly rail and broadband.
5. Exploration of possibilities for joint outreach in Ontario.
6. Exploration of a possible cross-regional event for Canadian **suppliers to semiconductor manufacturers**.

In addition to collaboration with the North Country, the Capital Region will continue its cross-regional industry attraction campaigns under the NY ♥ Technology banners led by regional economic development organizations and National Grid.

CREDC Surveys for Global NY

A survey was sent to all recipients of the CREDC electronic newsletter. Responses were collected from 145 businesses, helping to improve our picture of which of our companies currently reach foreign markets, which are partially or wholly foreign invested, and what services they use or need to go global. This survey garnered the following aggregate results.

1. Does your company export? Of 132 respondents, 20% were exporters.

2. If yes, what services or assistance has your company utilized to increase exports? 26 provided narrative responses including the ESD Regional Office, Small Business Development Center, U.S. Commercial Service, American Chambers of Commerce abroad, World Trade Centers, and shippers.

3. Please list 1-2 ways in which the Capital Region could improve its array of support services to assist companies with reaching foreign markets. 44 respondents provided suggestions along the following themes. They are each addressed by one or more new strategies.

- Better promotion/communication about existing export incentives and services (for example the matching services provided by the U.S. Commercial Service's Westchester NY Export Assistance Center, and international banking and legal services)
- Opportunities for trade missions for smaller exporters
- Attention to the capital needs of early-stage businesses that represent future export prospects (i.e. CREDC's Open New Doors goal)
- Leveraging our region's ethnic and international communities, bettering integrating them into the larger business fabric of the region
- Improved airport access

4. Please list companies (in your network or that you are aware of) for which exports currently represent, or for which they have goals to represent, a significant amount of their total revenues. Results were incorporated into the "Export Success Stories" list as appropriate.

5. Is your company wholly or partially foreign owned? 5 of the 86 respondents to this question were representatives of wholly or partially foreign owned companies.

6. Please list any foreign-owned businesses you are aware of in the region. Results were incorporated into the "Inbound Foreign Investment Success Stories" list.

An additional survey was conducted of the region's 18 **colleges, universities, and professional schools**, revealing that more than 3,400 international students were enrolled in our higher education institutions in 2013. The University at Albany and Rensselaer Polytechnic Institute were the strongest draws for international students, who constituted 50% of the latter's graduate student body. At the graduate level, students at U. Albany hailed from 78 different countries.

Finally, **county and municipal economic development offices** were surveyed to help build a more comprehensive picture of the region's exporters and foreign-invested companies.

CREDC Metrics for Global NY

Export Metrics

- Number of jobs directly and indirectly supported by exports
- Number of international students enrolled in the region's colleges and universities
- Percentage of regional college and university students who are foreign passport holders
- Number of dual degrees (local/foreign) offered by the region's colleges and universities
- Value of region's exports (nominal, real)
- Annual export growth rate
- Exports as a share of total output
- Share of goods versus services in overall exports
- Composition of exports by major and minor industry categories
- Composition of exports by country of destination

FDI Metrics

- Value of FDI stock in Capital Region
- Value of FDI flow into Capital Region (annually)
- Number of jobs supported by majority foreign-owned businesses in the region
- Composition of region's FDI stock by sector
- Composition of FDI flow by sector
- Composition of region's FDI stock by country of origin
- Composition of FDI flow by country of origin

Wrap-Up

On behalf of Tech Valley, the Capital Region Economic Development Council welcomes the assignment to pursue regional strategies for export and foreign investment growth. Our eight original goals are closely interrelated with Tech Valley's international competitiveness and are supportive of these twin objectives. With our economy's strong existing global orientation, and assets like the Tech Valley Global Business Network and our international industry attraction campaigns, we are well positioned to execute the strategies listed in this document. The Council will continuously adapt these strategies to fully leverage any developments in Global NY, START-UP NY, and other initiatives, as well as to create new opportunities for cross-regional collaboration.