

ibNEWS

international business news from the heartland

Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, North & South Dakota

Event & Information Web sites

- Nebraska events and news:
www.mitaonline.org
- Iowa events & news:
www.iowatraders.com
- Kansas City events & news
www.itckc.org
- Minnesota events & news
www.mgta.org
- South Dakota events & news
www.sd-exports.org
- North Dakota events & news
www.exportnd.com

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March Exports Continue to Climb, Remain Strong.

An improving global economy and a weakening dollar, making Heartland goods cheaper abroad, caused a continued climb in export growth for Heartland companies during the first quarter.

March new export orders pushed to 57.2, continuing a climb that began in January and read 55.2 in February.

According to the survey of supply managers from Heartland companies, this is the 4th consecutive month that exports have shown a steady rise in growth.

It also marks the largest sustained quarterly growth for the region's exports in over 7 years.

Professor Jim Knudsen of

Creighton University, who helps compile the index for the Heartland International Business Alliance, says, "The U.S. economy is continuing to gain strength and pulling the import reading up again in March, despite the weakening dollar."

The March import index rose to 58.3, up from February's 57.1.

Exports

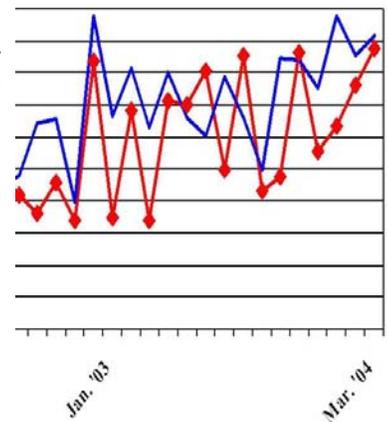
January—52.7

February—55.2

March—57.2

The index is the only real-time monthly indicator of changes in exports and imports for the nine state region which includes Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, North & South Dakota.

Heartland Index



Red = Exports
Blue = Imports

Conference: How to Move NAFTA Goods Faster-Post 9/11

Heartland trade with Canada and Mexico has never been greater. But post 9/11 customs, security and advance notification requirements threaten to slow NAFTA commerce and raise the cost of doing across-the-border commerce.

In his May 18th talk at the Overland Park NAFTA Transportation Conference, Chris Mahoney, senior VP of transportation services for UPS, will tell Heartland businesses how their goods can flow faster by laying out strategies for balancing security and speed in

today's security-conscious environment.

"Mr. Mahoney will talk about ways for carriers to put truck, rail, air and sea shipments in the customs fast lane and synchronize the flow of goods, (Continued to Page 3)

Foreign Trade Zones Poised to Help Small Companies



Hunt Midwest is a General Purpose FTZ with nearly 3 million square feet of underground storage.

One of the oldest and most prolific of international trade resources, FTZs, have in the past been the fodder of big company importers and exporters.

Now word seems to be percolating in Washington DC that FTZs could help small businesses as well. This means trimming some of the time delays and costs from the application process. Word has it that if your company has cost of sales in excess of \$50,000, you can realize a

return on investment in one, to one-and-a half years. If your company imports components and re-exports finished goods, it is something to check into. This is especially true if you are in the chemical or raw materials processing business. Tech companies are also in favor right now.

The key benefit of a FTZ is the reduction, or even elimination, of Customs' duties. "You can defer or even eliminate duty and other import fees, lower

your inventory value and related carrying costs, and enjoy a speedier path through today's congested ports of entry," explains Bob Grant, FTZ consultant.

One of the oldest and largest FTZs in the U.S. is the Greater Kansas City Foreign Trade Zone. President Al Figuly says, "The FTZ Board really wants to stimulate greater use of FTZs by smaller companies." (continue to Page 3)

Nebraska Connectors Help Ocean Research

Subconn, by LVMM, is a key component for oceanographic and seismic research

Electricity and water are a dangerous mix. Add tremendous levels of water pressure and you have some idea of what Loup Valley Machining & Manufacturing (LVMM), of Burwell, Nebraska, deals with every day.

LVMM, with an exclusive distribution agreement with the MacArtney Group in Denmark, machines and manufactures

the Subconn® wet malleable electrical connector—a piece of equipment for any project requiring electrical function deep under water.

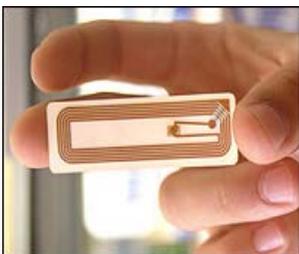
Subconn is a critical component for oceanographic and seismic research, and was used during the search for the Titanic and JFK Jr's plane, and is even used for the video capability on submersibles looking for the

Loch Ness monster.

With capabilities at depths of over 12,000 feet, or 10,000 psi, Subconn is used in underwater research, submersible remote operated vehicle, mapping and discovery.

The company has 35 employees and is growing. It manufactures and ships worldwide over 200 types of (continue to Page 3)

RFID—Is it Coming to Heartland Shippers?



Radio Frequency Identification is also called "Smart Tag", shown here.

New technology keeps blazing ahead in the Heartland. Wal-Mart, the world's largest company, will insist that its major suppliers use Radio Frequency Identification (RFID) technology by 2005. Importers and exporters will soon follow.

So what is RFID? "It's a non-line-of-sight solution with a radio frequency reader, and a

tag (microchip with antenna)," according to Toby Rush of Rush Tracking Systems. These two mechanisms allow goods to "see and talk" with a dually fit computer.

Information about packaging dates, locations, temperature controls, perishability - where the container has traveled, along with instructions about

care, can be instantly downloaded from the tag on the merchandise to the reader without ever opening the container.

"Frequency standards such as electronic product code (EPC) are becoming a de-facto standard for retailer," Rush continues. Heartland manufacturers—be prepared.

North America Development Bank CEO To Talk

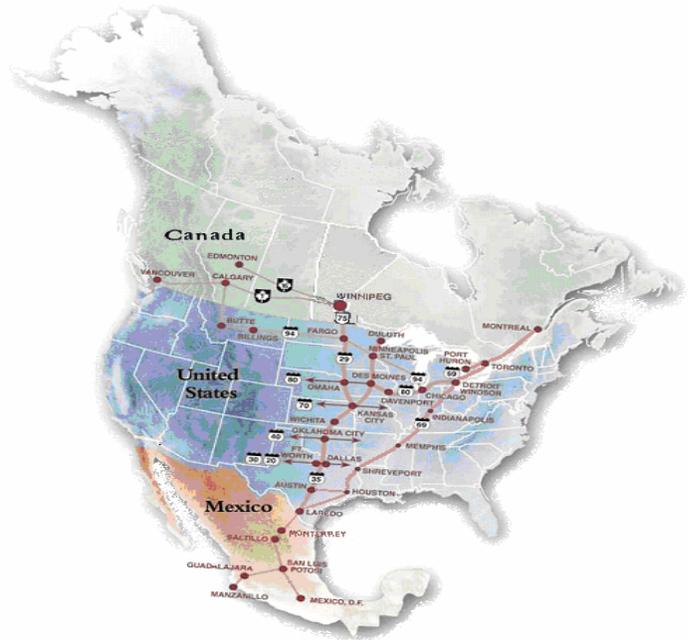
For those in the Heartland that want to learn more about Mexican border community finance opportunities, North American Development Bank CEO Raul Rodriguez, will discuss them at the May 20th North America International Trade Corridor Partnership (NAITCP) summit in Kansas City.

Other speakers will include former U.S. Ambassador to Mexico Jim Jones, along with Missouri Governor Bob Holden and panelists from Life Sciences, Construction &

Infrastructure, Travel & Tourism tracks.

Mayors and officials from the U.S., Mexico and Canada will stimulate conversation about further cooperation's between the NAFTA countries and communities.

The NAITCP is offering a special rate for small businesses. For details, log on to www.naitcp2004.com



NAFTA Conference

(continued from page 1) informarion and funds,” explains conference co-chair, Susan Ballew of Warehouse 1.

Mahoney headlines the May 18-19, 2nd annual NAFTA Transportation Conference & Exhibition at the Overland Park Conference Center. In addition, the CEO of the Canadian Trucking Alliance, David Bradley, and USTR FTAA senior negotiator, Ross Wilson, and others, such as Canada’s Greg Goatbe, will discuss NAFTA and Smart Border.

Honorary Chair Gerald Davis, COO of Kansas City Southern Railway, will introduce morning keynoters. Following will be panels on New Technologies in Air, Rail & Truck Modes of

Transportation, Cross Border Security For Hazmat & Food Shipments, and NAFTA Rules of Origin.

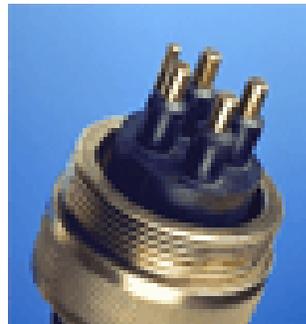
Second day (half day) programs include The Midwest NAFTA Advantage, North America Inland Port Network, North American Corridors of Economic Significance, Mandated Security Initiatives and others.

Registration is under \$200.00 including all meals. Complete information is available at www.itckc.org, or by calling (816) 471-2288.

Nebraska Co.

(continued from page 2)

connectors for underwater or extreme stress-related jobs. “Forty-five percent of our sales are exports through our European distributor because that’s where so much of the underwater equipment is made-and where the oceans are,” John Eddy, LVMM general manager, jokingly points out.



Subconn Electrical Connector from LVMM. The Web site is www.subconn.com.

Foreign Trade Zone

(continued from page 1)

They are looking for ways to speed up processing time and reduce the application fees.”

According to figures provided by the K.C. FTZ, total goods processed through the zone grew 35.55% in 2003 over that of 2002.

For more FTZ Board information and comment on the small business initiative, go to <http://ia.ita.doc.gov/ftzpage> and click on “NEW! Manufacturing Proposals.” Or, email Bob Grant at proglobalsolutions@hotmail.com

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Each month, we'll bring you the latest trend in new export orders and imports for the Heartland. Our exclusive index is the only real-time, leading economic indicator of changes in exports and imports.

*We'll also keep you updated with news, trends and regulations that affect your business. If you have suggestions to make **ibNEWS** more informative, please send your suggestions to info@intermark3.com.*

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