



OFFICE OF GOVERNOR MARK DAYTON

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Minnesota Global Competitiveness Initiative

Increasing Exports and Foreign Direct Investment

Minnesota needs to compete in a 21st Century global economy. Governor Dayton's budget funds a \$1.5 million Global Competitiveness Initiative that will help increase exports and foreign direct investment in Minnesota. This initiative will: 1) establish three new trade offices in foreign markets; 2) increase funding for a grant program that helps small businesses participate in trade activities; and 3) fund a new marketing effort to better-communicate the benefits of doing business in Minnesota.

Minnesota Trade Offices in Foreign Markets

The Minnesota Global Competitiveness Initiative invests \$540,000 in opening three new offices in key foreign markets. These new trade offices will be selected based on their potential to increase exports and attract foreign direct investment. The offices will serve as a connection point for Minnesota companies seeking opportunities in foreign markets, and develop trade missions within each country.

- » **Minnesota Needs to Compete.** Thirty-seven of 50 states have overseas trade offices; Minnesota currently has one foreign trade office located in Shanghai, China.
- » **When We Invest, Our Exports Increase.** When Minnesota's Shanghai office opened in 2005, our state saw a 71 percent increase in exports to China in just one year.
- » **The Return on Investment Can Be Huge.** In 2011 Pennsylvania invested \$6 million in its 10 foreign trade offices, producing \$831 million in export sales and over 6,800 jobs.

MN STEP Grants

The Minnesota Global Competitiveness Initiative will provide \$600,000 for Minnesota STEP grants to qualifying small businesses in Minnesota with an active interest in exporting products or services to foreign markets. Participants may be first-time exporters or companies that are already exporting but are interested in expanding into new international markets.

- » **Real Assistance to Help Small Businesses Export Products.** Small businesses may apply for reimbursement of up to \$7,500 for approved export development activities.
- » **We Need to Act Now.** Minnesota currently has federal funding for STEP grants. These funds are in jeopardy and state funding is needed to continue this successful program.

Marketing Minnesota

It is critical to ensure existing businesses and those located outside our borders understand the benefits of doing business in Minnesota. The Minnesota Global Competitiveness Initiative invests \$360,000 in marketing efforts that will better-communicate the benefits of doing business in Minnesota.