

South Africa/Maine Synergies and Opportunities

The exercise is based on the thought that S. Africa and Maine have potential economic growth synergies and that clusters in each economy should be examined to find and develop those growth relationships.

A wide array of topics from previous discussion, remain on the table for triage. In broad areas the topics range from business interests of specific companies in Maine and S. Africa, through specific economic development clusters, human resource development, and cultural and educational exchange.

It was suggested that four methods of operation, in terms of the planning work, should be foremost in the process: 1) compression of time to reach tangible project work; 2) desire to work with a limited number of business sectors; 3) consonance of needs and opportunities; 4) project identification that can be categorized in short, medium, and long-term efforts.

Business Sectors were identified in both economies from existing studies done by governmental and non-governmental organizations. A series of triage exercises based on time-to-possible-implementation, areas of overlap in terms of basic support needs for cluster growth, and consonance within both economies were used to reduce the list to a 10 to 15 category list and those categories were further reduced to three that appear to be a match to criteria and suitable for further feasibility study.

These categories were: automotive parts, clothing and textiles, and information technology. Further brief review of sub-sectors developed an outline of topic areas that have relevance for further examination. In addition it was suggested that the sectors require a background of support in education/human resource development, technology transfer, and, perhaps, assistance in the development of community finance options and equity investment vehicles.

It was also agreed that assistance and facilitation in developing high velocity business relationships that allow small firms to access available assistance and partners should move ahead immediately, regardless of the sector, or position in the developed plan. Currently companies in Maine have invested in, or are examining business options in areas from automotive parts, environmental engineering, resource mapping, radio frequency technologies, and development of business assistance mechanisms. Among areas that consul staff wished to remain in active file are retail sales opportunities for S. African products, and tourism.

The three sectors chosen for in depth examination are: automotive parts, information technology, and clothing and textiles. The work of the studies will develop several levels of data pertinent to understanding the marketplace. Pre-feasibility work will be an examination of the immediate viability of companies in

both economies coming together with something meaningful to say to each other. For Maine the real question is can the scale of the economy have real and meaningful partnerships with S. Africa in these three industries. If pre-feasibility seems positive then an extended feasibility study with financial, technical, and market analyses will be completed as basis for further development of a working relationship. Prior to that point there may be meaningful reason to bring companies together both here and in S. Africa for discussion, test of viability of relations, and first steps in an ongoing process.

The pre-feasibility must resolve several questions, not the least of which is global restructuring in two of the sectors, as well as high cost of market entry for competitors at either end of the trade link. Clearly, the sector most amenable to discussion and further development is information technology. Costs of entry are low, market entry is often accomplished on a project-by-project basis and is therefore less expensive, and returns on investment are very high versus cost of entry.

The biggest questions, for S. Africa and Maine, remain human resources to develop project work. This would most likely be done in market clusters that have high use value at both ends of the trade link, such as Geographic Information Systems, and data analysis for labor market characterization to name two areas in which Maine companies and the University have national reputations.

Timeline

Below is a very fast track schedule for the completion of early phases of this work. The most difficult feature of this timeline is putting together a trade delegation in May and it may be necessary to push the last five tasks in chart off by two or more months to accommodate reality.

TASKS	March	April	May	June
Pre-feasibility	XXXXXXXX			
Final Sector Select		XX		
Trade Delegation			XXXX	
Final Feasibility			XXXX	
Outcome Analysis				XXX
Trade Plan				XXXXXX
Partnership Brok				X

PROGRAMME
// MEETING WITH MEMBERS OF ALANA //

Wednesday, 3 March 1999

10:00am- 10:15am	Tea/Coffee
10:15am- 10:35am	Introduction/Finalize process <i>Handwritten notes</i>
10:35am- 10:55am	Presentation: Maine delegation
10:55am- 11:05am	Presentation: Mission delegation - Political
11:15am 12:00pm	Brainstorm/Discussion <i>Handwritten notes</i>
12:01pm- 1:00pm	Identification <i>Handwritten notes</i>
1:00pm- 2:30pm	Lunch Venue: El Pote 2nd Avenue, between 38th & 39th Streets <i>Handwritten notes</i>
2:30pm- 4:00pm	Continuation of meeting <i>Handwritten notes</i>
4:00pm- 4:15pm	Tea/Coffee
4:20pm-	Next steps
5:00pm	Closure
7:00pm	Dinner Venue: Consul-General's residence 66 West 87th Street New York, NY 10024

I.D. Proposal

*Late April S. African proposal in D.C. Ambassador
Joint lobbying of multilateral*

Wed 3/3/19

So African Mtg

W-y 9:50 am

ASIZ

Synergy / Research

I'd a proposal - Time focus - April later So African
Embassy in D.C. / Dept of State have a close relationship w/ Susan vice
out Dept of Commerce mutual interest
Can present ideas through D.C.
MUST find Synergy

2-4 pilot projects this work

SAPI - doing business in the - These initiatives should form a way
- also locate them in one of 9 provinces
get them back

ASIZ - volunteering to come to Mainz
inviting us to South Africa

-
- I'd the business clusters
 - develop strategies
 - opportunities for leapfrogging ex: cell phones
 - general preferential systems + products for other markets / textiles
 - Bring together for + provincial ministers for a D.C. purpose
 - I. d. Sector

info + feasibility

Joint Ventures

R & D needs Univ Sys

Commit for Scientific Research in S. AF

Tech sharing / patterns in data base

Bi-lateral visits

Eastern Cape - Twins w/ Mass

Teacher student exchanges K-12

people to people relations / cultural exchange

S. Africa

Information Technology
Auto Components
Capital equipment
Chemicals
Clothing
Textiles
Dairy
Electrical
Footwear
Stainless Steel

Manufacturing

Marine Sciences / Aquaculture
Bio Technology
Composite materials ^{fiberglass}
_{wood}
Precision manufacturing (metals)
Info Services Technology
- Geographical Survey Systems
- Sensor Technology
Telecommunications
Environmental Science + Technology
Retail org (Wall Mart)
Shipping

Short Term

Imp Tech

~~Chemicals~~

Clotting / textiles

AUTO Components

~~Stainless Steel~~

Infrastructure later

Med Term

Long Term

Imp Tech

~~Textiles~~

Infrastructure

ME

Imp Tech

~~Chemicals~~ (envir)

Clotting / textiles

AUTO Components

Infrastructure (air port)

Imp Tech

~~Stainless Steel~~ (envir)

Technical	Financial	Market	HR
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1. Software Dev ^{Feasibility} priority of my new business

- A. GIS
- B. Environmental
- C. Book office processing
- D. Spring Applications dev

- HR
- Equity
- Infrastr.

- Human resources
 - Equity capital } two key ingredients

2. AUTO Components

LT Equity transfer

market access important issue

regulatory foster India's consolidation

- distance - supply chain + performance
- outsourcing more + more pieces of car
- Main = small firms

Lanfode manufacturer for Chrysler + Mercedes
 German owned / Market access needs research

Joint Venture could be useful

ex Teats on top of vehicles

Next step: look to Auto Components industry

S.A.F give idea of existing suppliers to
 where opportunities are.

Nick Karvonides - his family in So Africa

↳ he thought - best way to try a trade delegation
 to So Africa

return: find some piece in S.A.F that would
 add value to their product line.

EX: BMW well estab in S.A.F

could be assembly of larger components for S.A.F

Clotig / textiles

ST

retail Firms

LL Bean + Well Hunt

upholstery

Blankets - production capacity @ 90% now + growing
electric blankets for Sunbeam

3 mills Clotig for gear - could buy used equipment
in So AF

LT

market access

S. AF sell here

LL Bean has own labels

could find new products in So AF

LL Bean - has cache of purchasing people
then present to wider producing capacity

- Have some cache for Beans go to So AF

- Well Hunt / going print lower

↳ Mike Liberty takes a Co. rep to S. AF

Market Test products

↳ Bentonsville Assoc / Mike takes equity in Co.

Upholstery / fabrics -

Auto Seats use fabric } basic material in S. AF

Steel Frame

} Value added in Me.

Synthetic fibres -

Room dividers

← Education K-12

Small consortium of me & SAE Schools
link these together grant money
Me = Univ Sys do the work of Consortium in
Consortium

Featuring NAM Schools in Mainz
↳ more than one school

College of Ed / how to use distance Ed resources
links btw the schools

— NAM per School

Cultural preservation & dev
models on both sides to sustain culture &
link together.

designate people on Mainz side to insure it
will happen.

— A212

even issue Constitutes a project

developing proposals concepts

need to find people to manage projects

Governor / Commitment by Ambassador &
Governor to carry the project through.

Colleges of education

need to get province involved then talk about
budget & project

Use of CFI to support Eco projects
Could be a levy prog
→ Equity Investment

Infrastructure dev (Flagged area)

- Support Tourism Board

- Dir of Intl air port (wife is South African)

Gov for meterlands gov model of Air port operator

Shopped facilities all over the world.

AZ12 - events using futuristic financing

- Consolidates Mts
- STV by delegation
- Dev of project plans w/ clearer concepts
- Responsibilities of K-12 Ed process
- Kinds of links being explored w/ Pen Water
- Gen forum discussion w/ NAM & SA Afr.

	Ed	comm	Cult	mixed use
Info Tech	X	X		X
Auto		X	X	
clothing Textiles		X		
Education				
Infrastructure				

Info Technology ST

1. Software Dev
2. Specific use
 - a. Statistical analysis
 - b. Envir monitoring
3. Tele medicine
Emmc

LT

1. Equity generation expertise
2. Technology Transfer
3. Human Resource Dev
4. Market access