

Your Partner In Trade



WTCBN Overview

- **An international business development company**
- **Membership, Trade Services, Events & Education and Grants**
- **Helping WNY and Southern Ontario businesses for 24 years**
- **Our customers and partners include a network of private companies, not-for-profit & government agencies and business organizations**

WTCBN Overview: Membership

- **Five to ten hours of free consulting**
- **Networking opportunity with international trade executives**
- **Valuable discounts**
- **Referrals to and from WTCBN members**
- **Member pricing on WTCBN services**
- **Listing on WTCBN website: International visibility**

WTCBN Overview: Member Benefits



THE MID-DAY CLUB OF BUFFALO, INC.



Buffalo Office Systems, Inc.



WTCBN Overview: Consulting

- **Market Research**
- **Compliance**
- **International Marketing**
- **Logistics**
- **Sourcing**

WTCBN Overview: Consulting

Fourth Quarter Results

Company	Project	Value
Greatbatch	International Business Development Plan	\$16,850
Diamond Saw	Market Entry Research and LCME	\$15,650
Multisorb	Europe Market Research	\$9,750
RGC Products	CE Marking	\$4,950
Liberty Pumps	Export Toolkit	\$2,500
SGS	Export Toolkit	\$3,000

WTCBN Overview: Consulting

Year	2010	2009	2008
New Projects	20	17	12
Export Success	\$3,266,893	\$ 938,886	\$542,305

WTCBN Overview: Events

Year	2010	2009	2008
Number of Events	18	17	15
Number of Attendees	1,858	1,671	1,323
Number of Companies	1,003	925	528

WTCBN Overview: Events

February 23, 2011 11:30 a.m. - 1:00 p.m.

2011 Traders Series: Trading with Brazil, India & China

Topic: Doing Business in China

Speaker: Paul Elwell, Moog

April 6, 2011 11:30 a.m. - 1:00 p.m.

2011 Traders Series: Trading with Brazil, India & China

Topic: Doing Business in India

Speaker: James Bailey, Rich Products

September 21, 2011 11:30 a.m. - 1:00 p.m.

2011 Traders Series: Trading with Brazil, India & China

Topic: Doing Business in Brazil

Speaker: John DeLuca, Liberty Pumps



Doing business in another country
doesn't have to be complicated

Thank you



U.S. and Global Economic Outlook

Gary Keith – Regional Economist

January 26, 2011

Seasonally Adjusted at Annual Rate

U.S. Real Gross Domestic Product

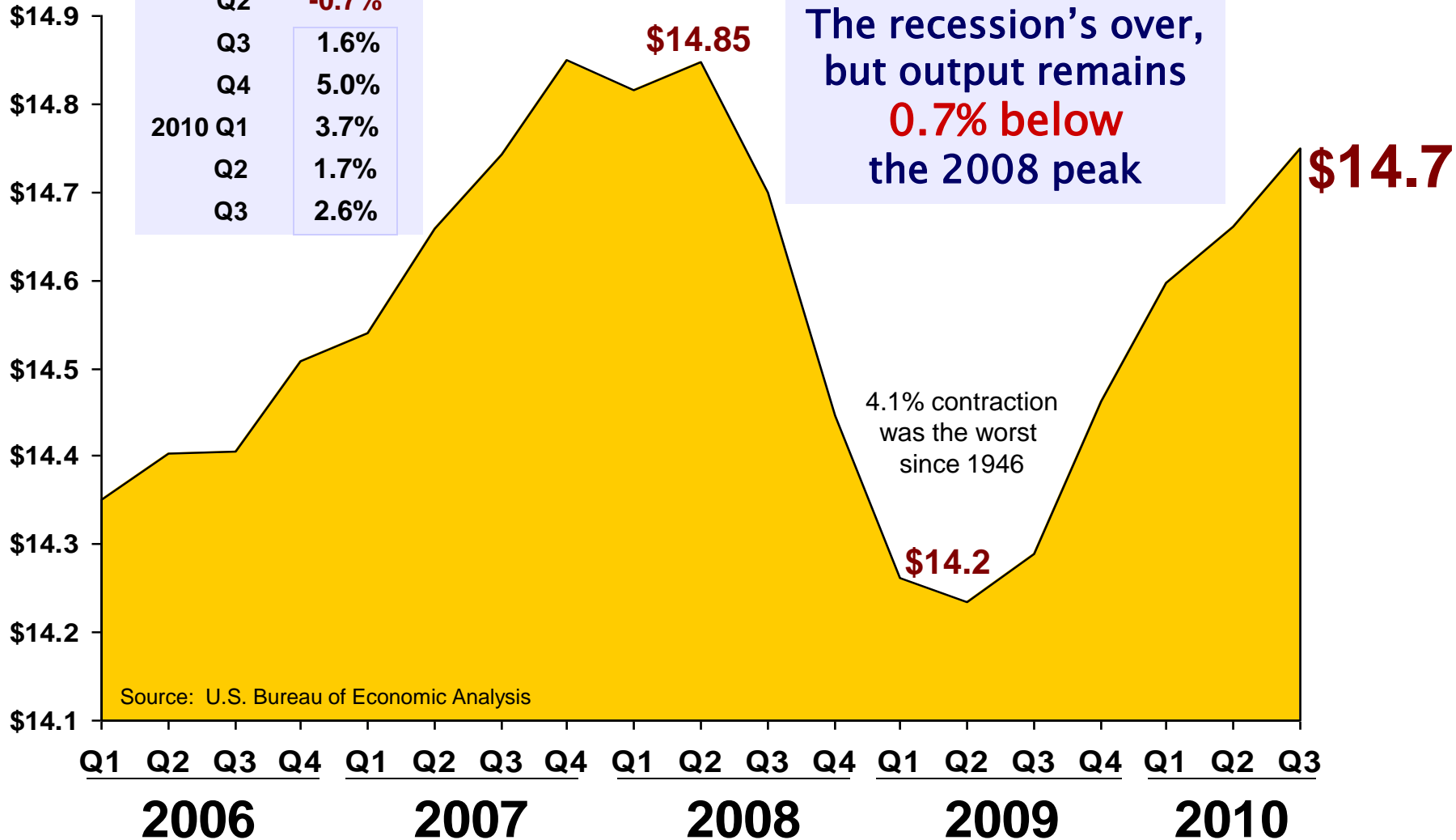
Trillions
of Constant
Q3:10 Dollars

Linked Qtr Annualized
Percent Change

2009 Q1	-4.9%
Q2	-0.7%
Q3	1.6%
Q4	5.0%
2010 Q1	3.7%
Q2	1.7%
Q3	2.6%

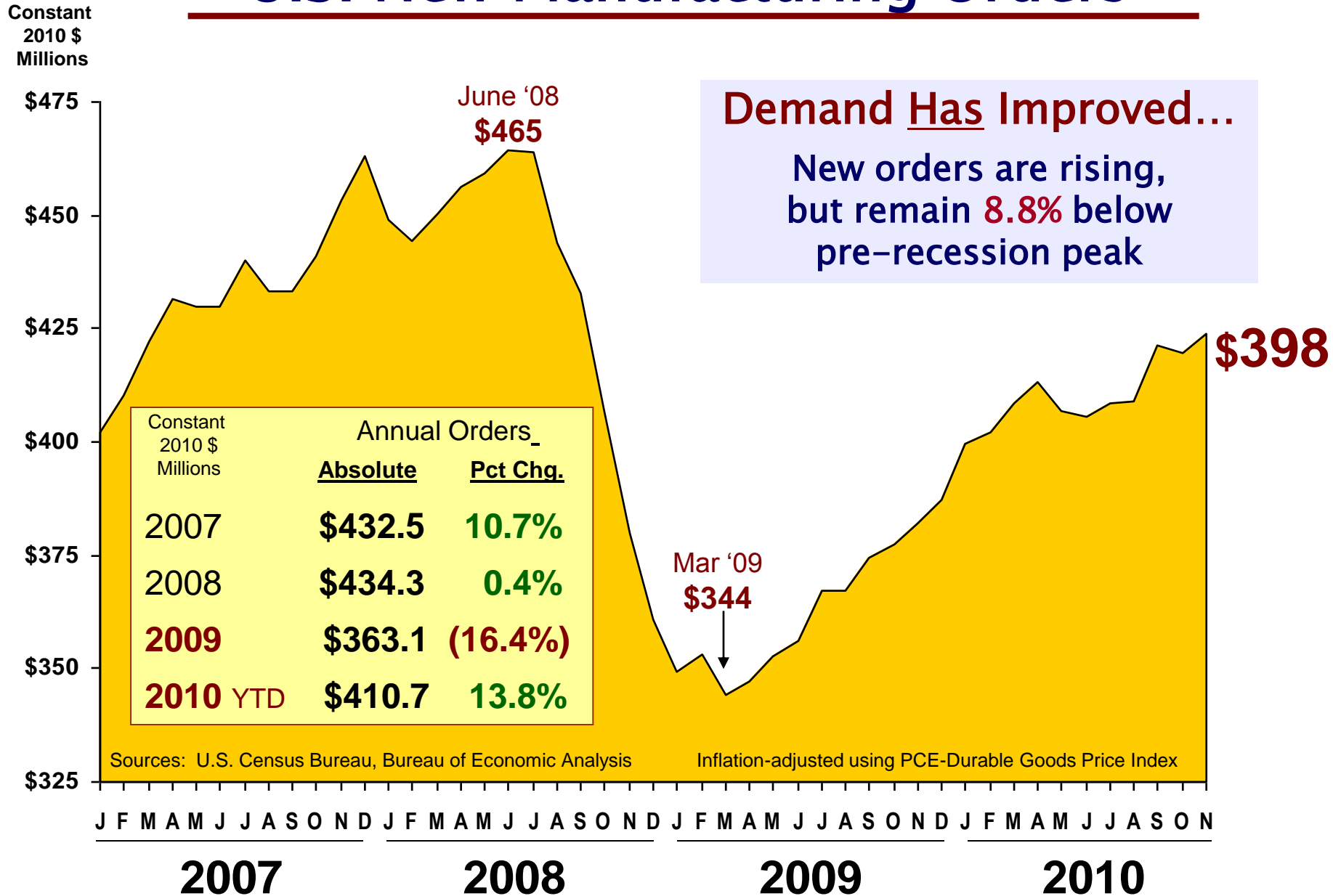
Climbing Back Up the Mountain

The recession's over,
but output remains
0.7% below
the 2008 peak



Inflation-Adjusted at Seasonally Adjusted Annual Rate

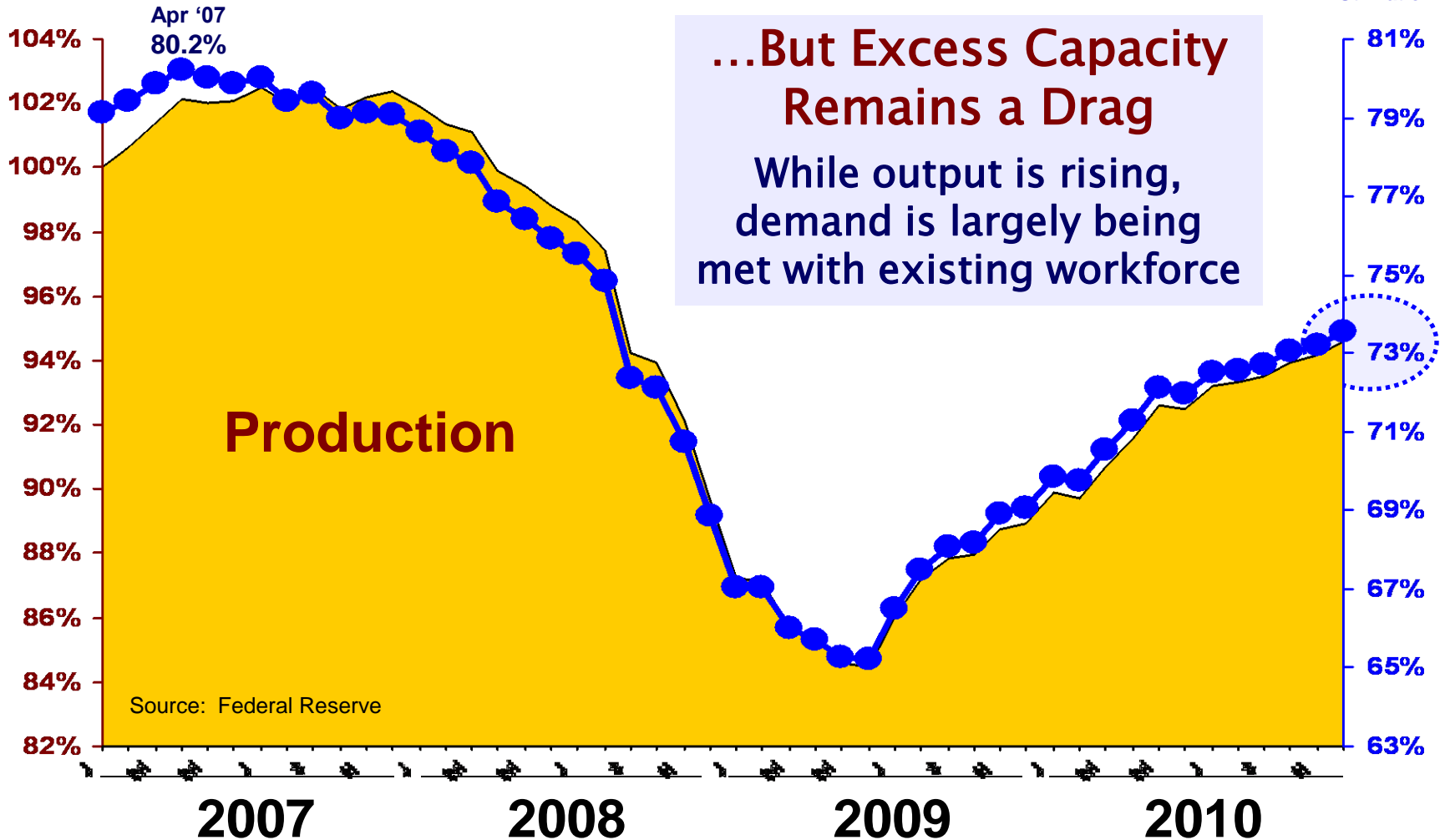
U.S. New Manufacturing Orders



Seasonally Adjusted U.S. Manufacturing Production

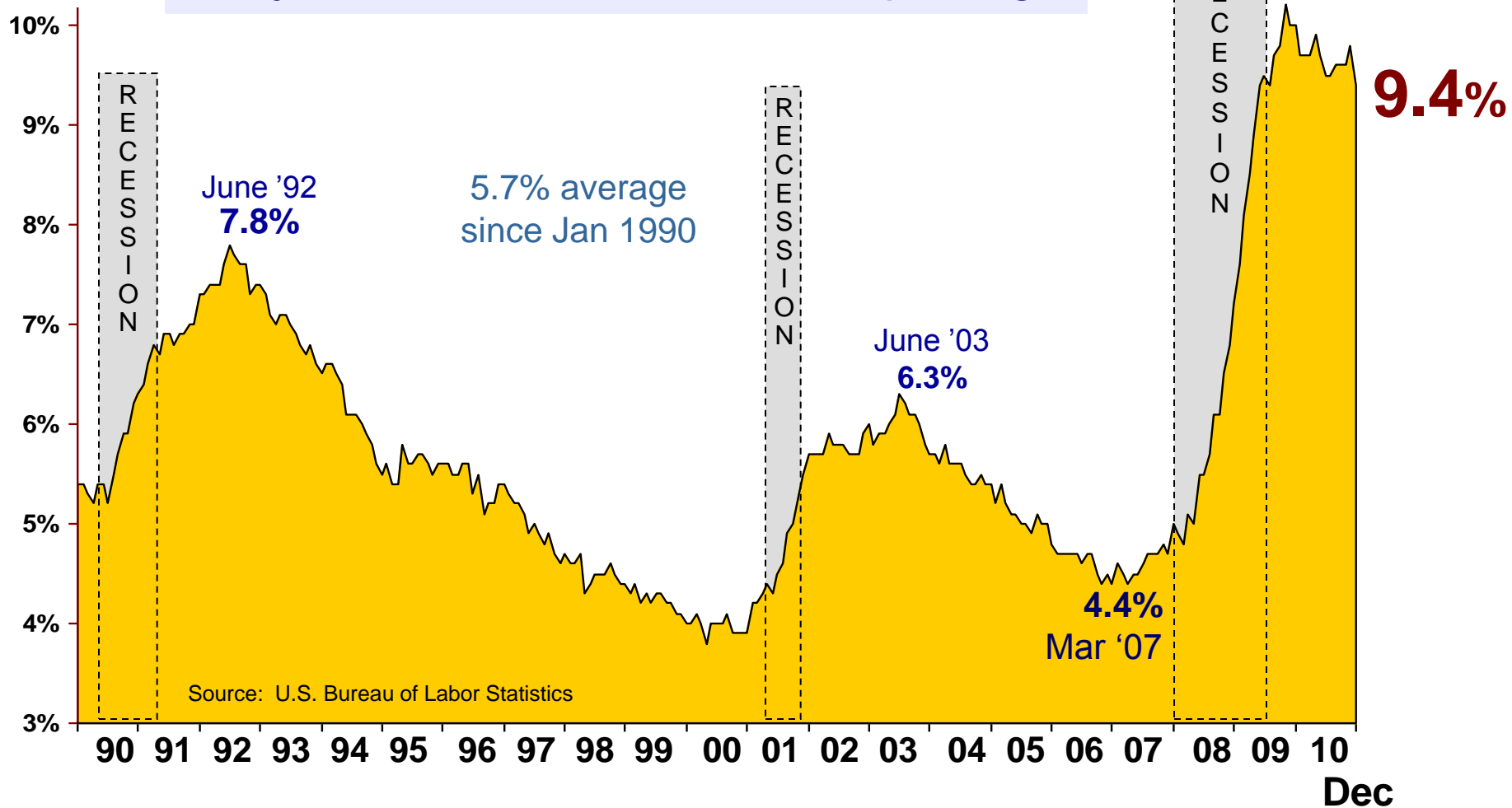
Manufacturing
Production as
Percent of Jan
2007 Level

Production (Right-RED) **Capacity Utilization**
Percent of January 2007 level (Left-Blue Scale)



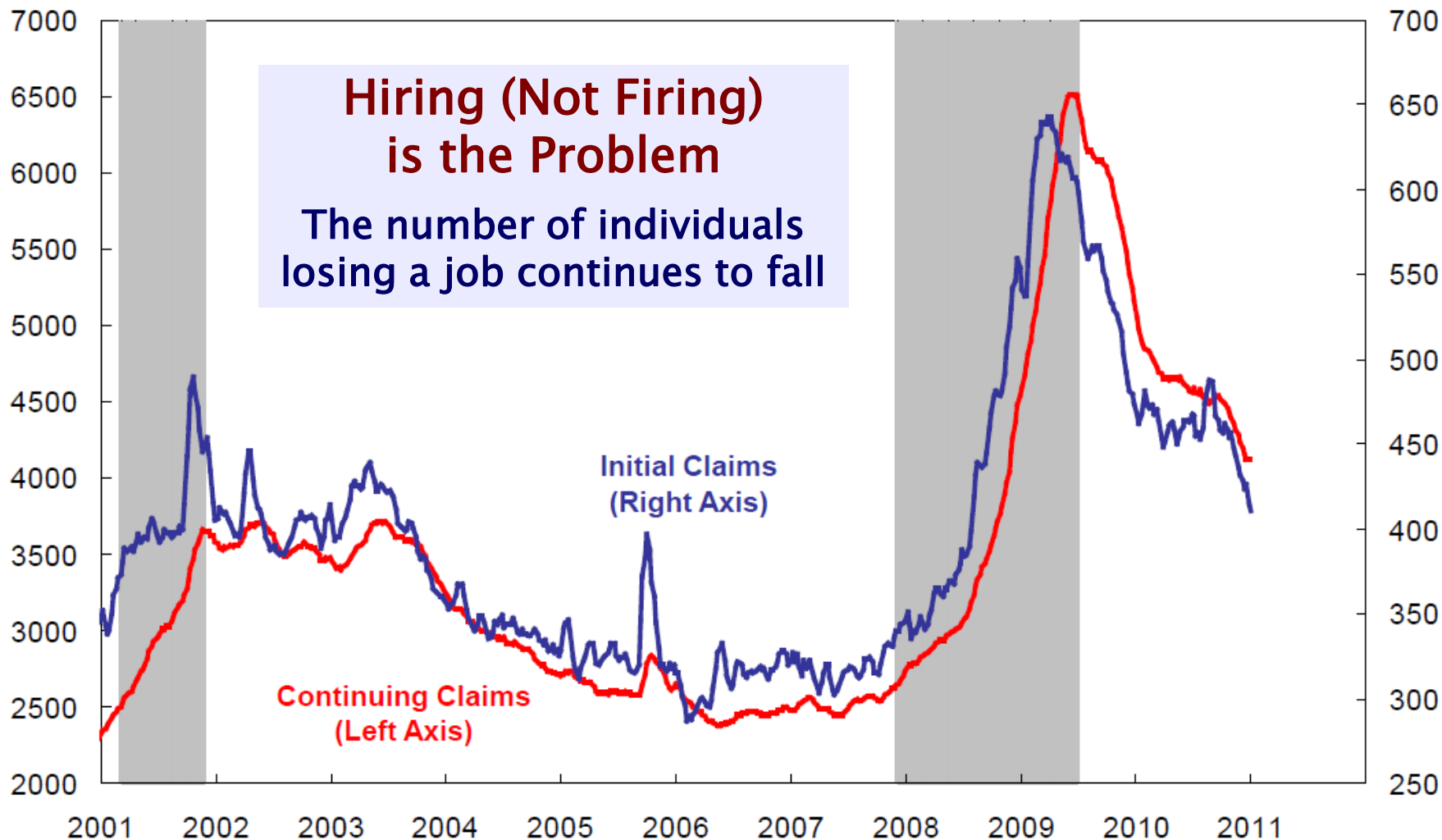
Seasonally Adjusted U.S. Unemployment Rate

...Providing Little Incentive to Hire
The jobless rate remains near a 26-year high



4-Week Moving Average

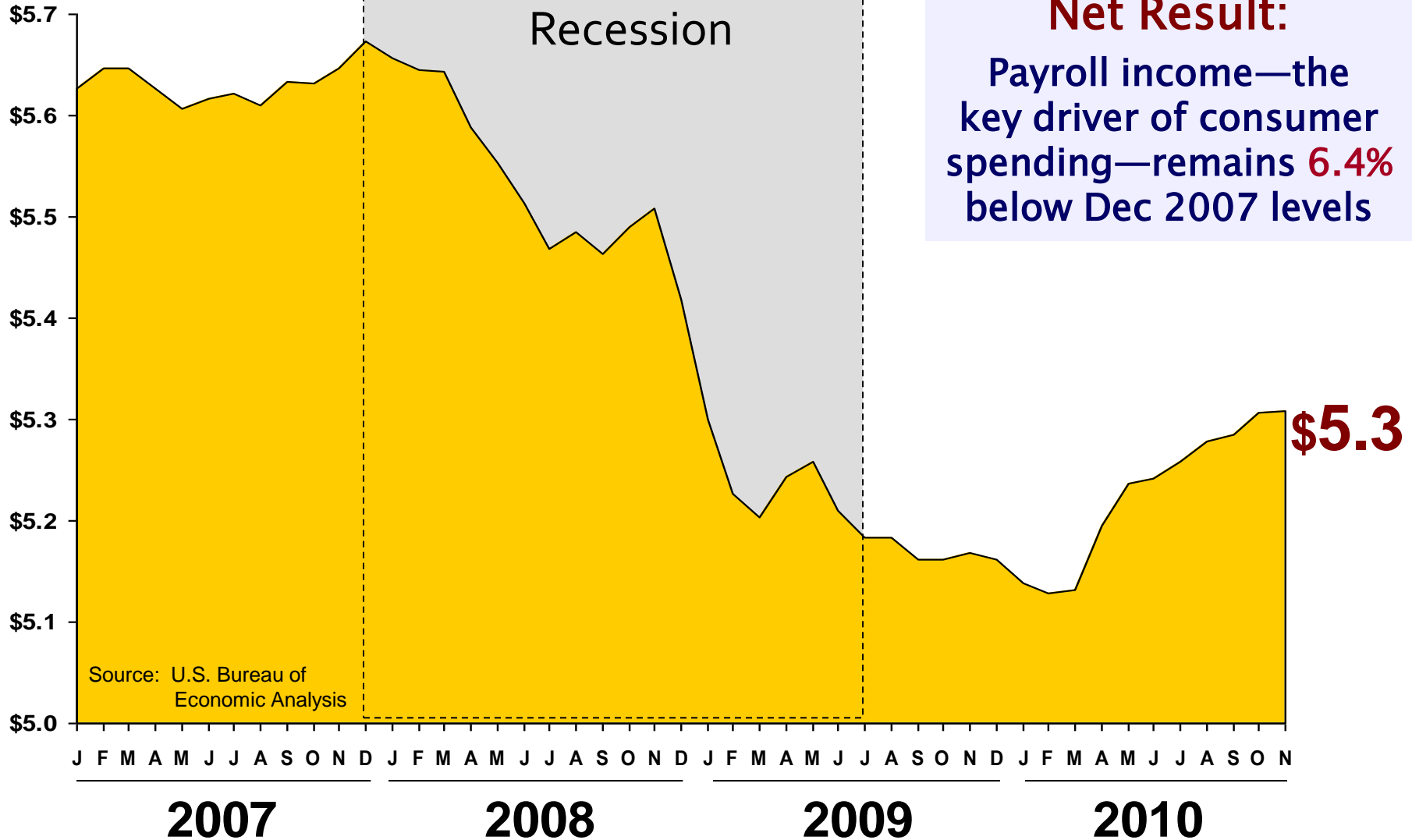
U.S. Unemployment Insurance Trends



Inflation-Adjusted At Seasonally Adjusted Annual Rate

U.S. Private Industry Wage Disbursements

Trillions of
Constant
2010 \$

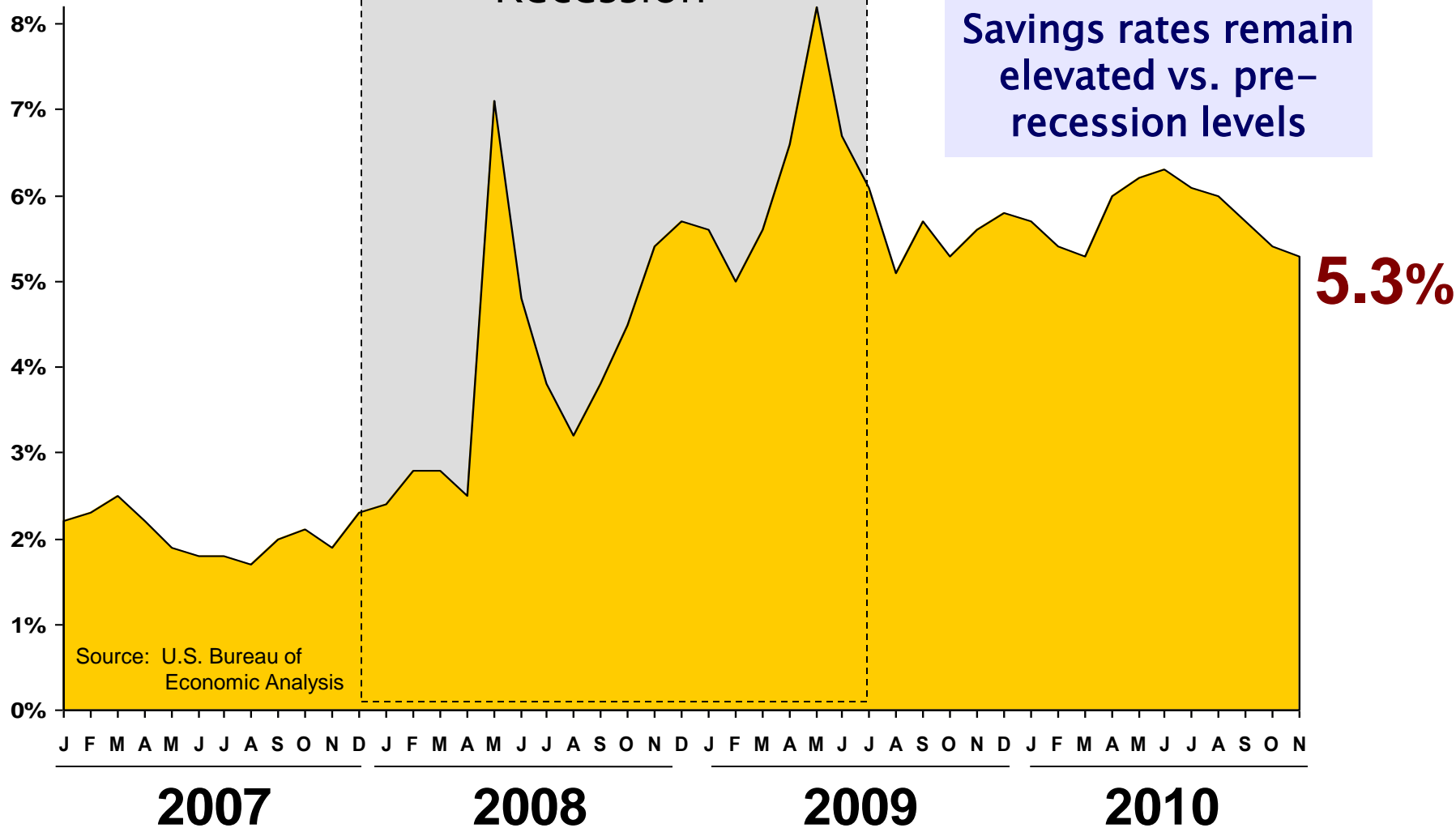


At Seasonally Adjusted Annual Rate

U.S. Household Savings Rate

Personal Savings as % of Disposable Personal Income

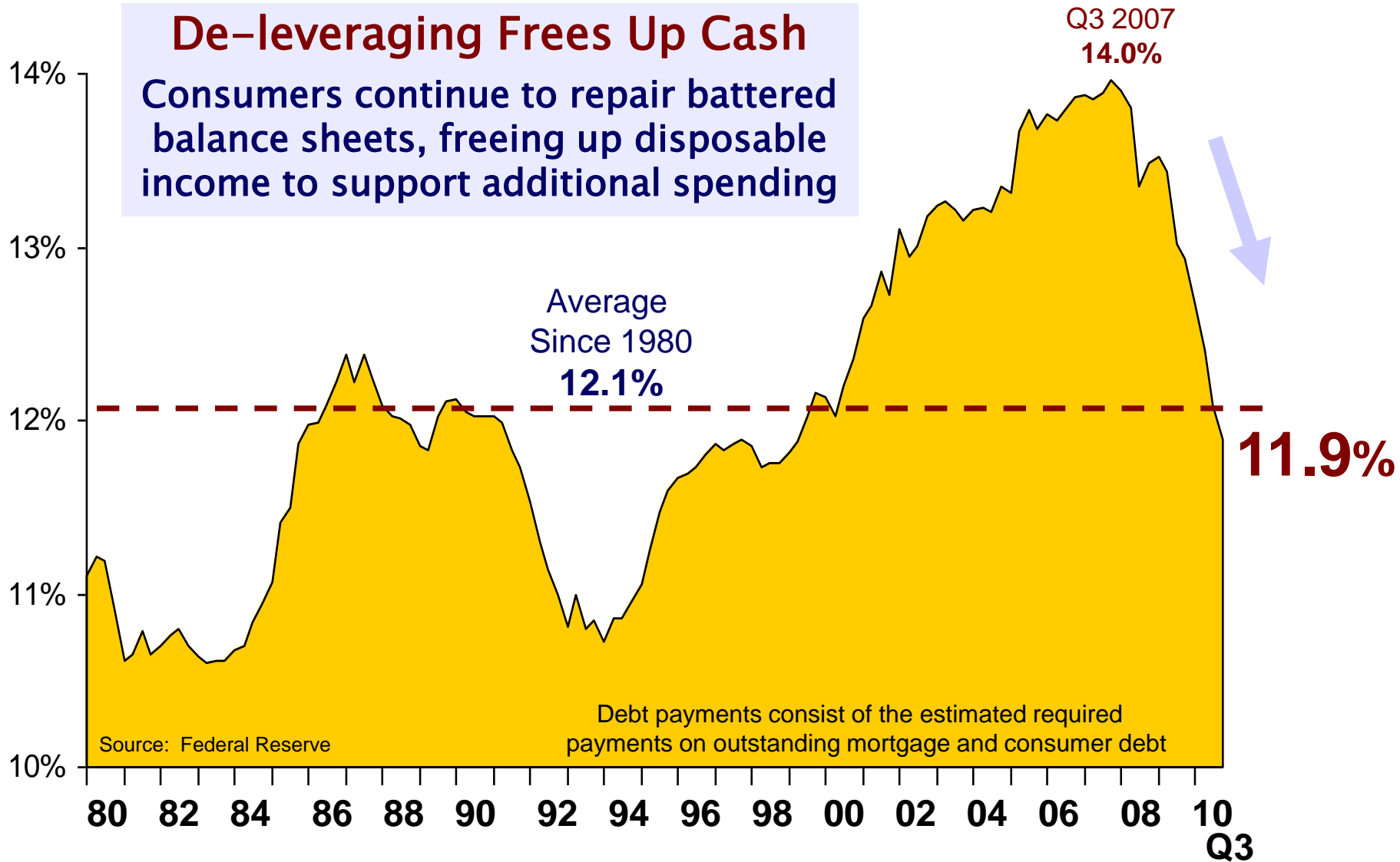
Thrift is Back in Style
Savings rates remain elevated vs. pre-recession levels



U.S. Household Debt Payments As a Percent of Disposable Income

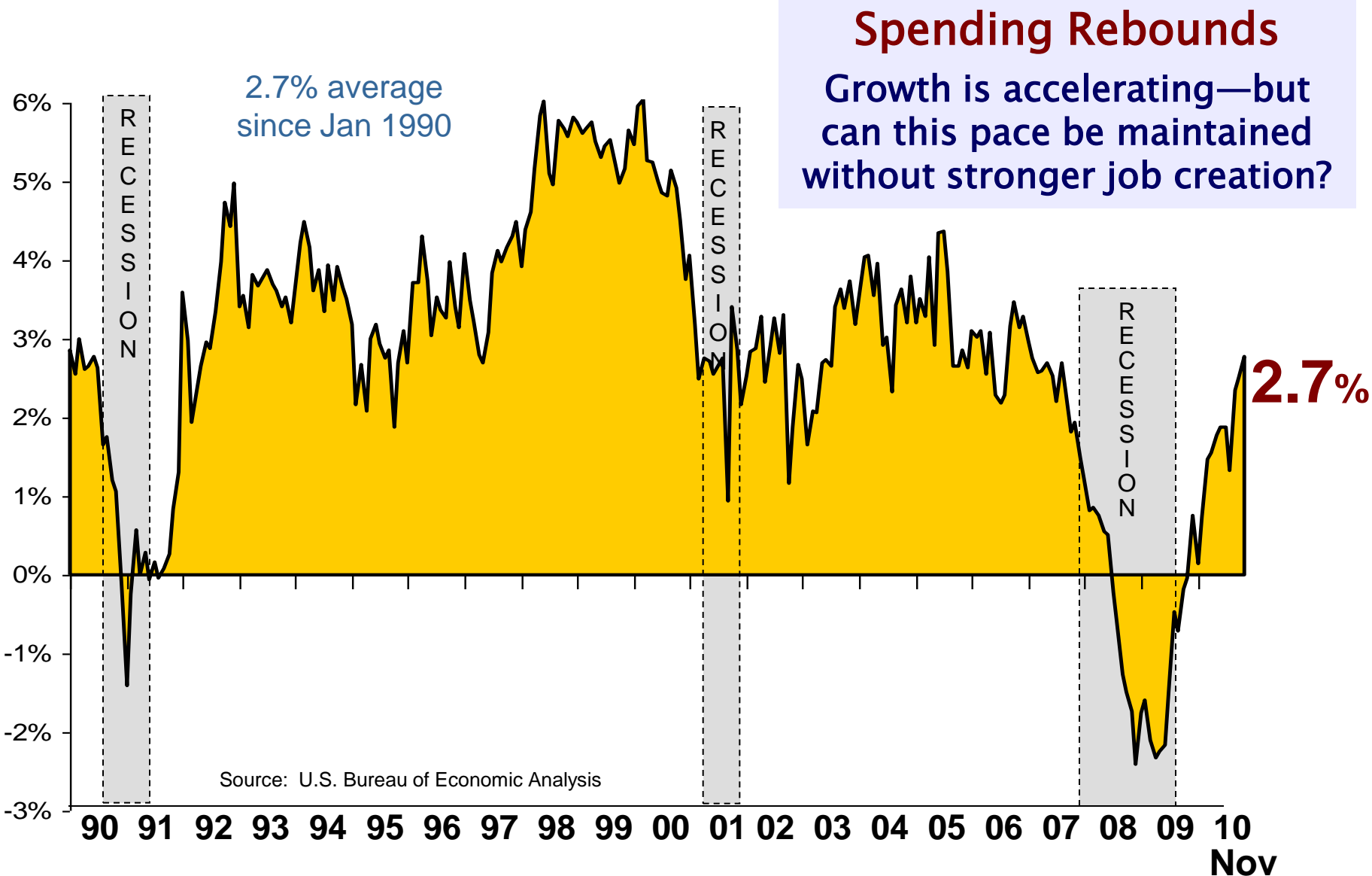
De-leveraging Frees Up Cash

Consumers continue to repair battered balance sheets, freeing up disposable income to support additional spending

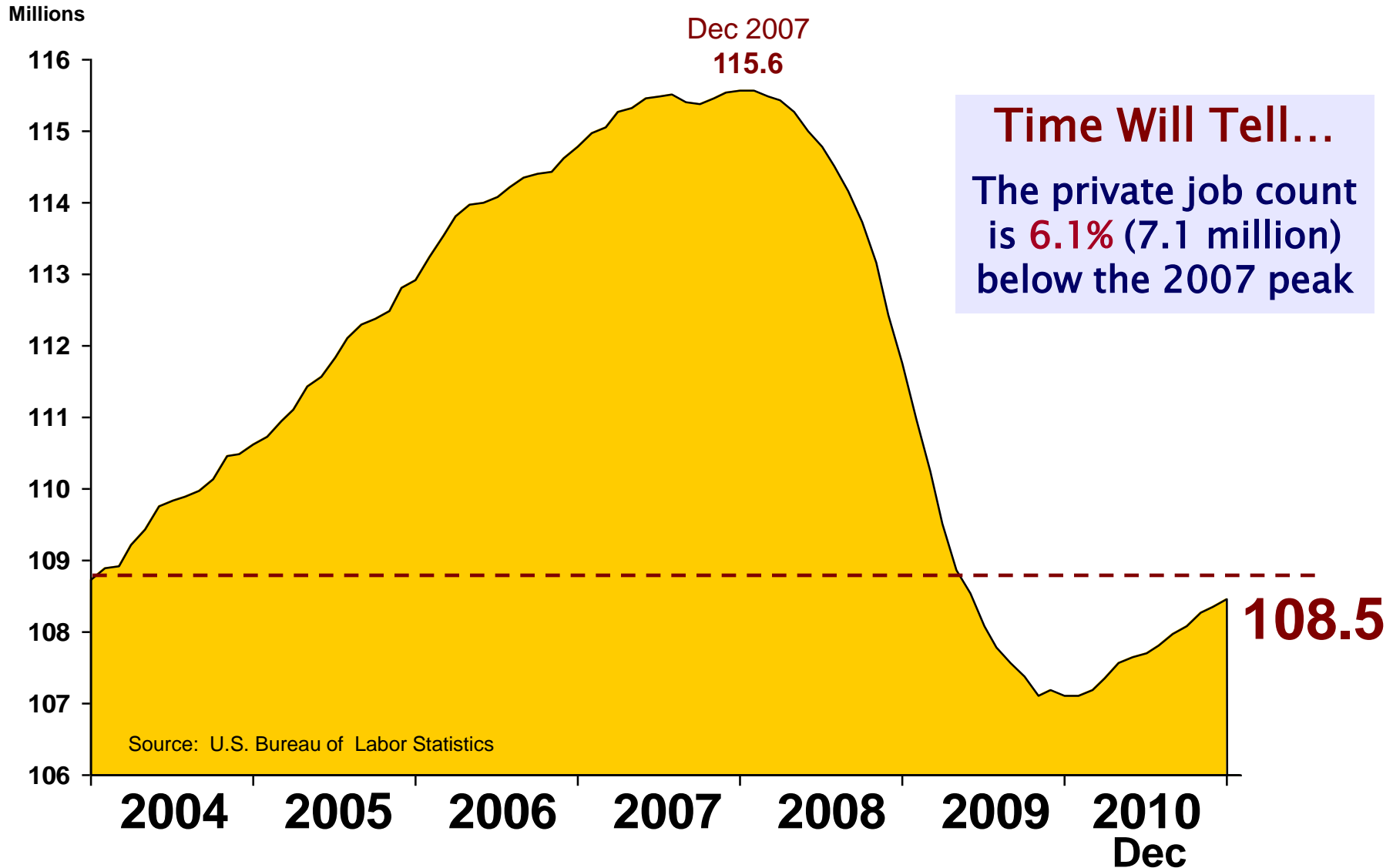


Inflation-Adjusted Year-Over-Year Percentage Change

U.S. Personal Consumption Expenditure Growth



Seasonally Adjusted U.S. Private Sector Employment



...So, where do we
go from here?

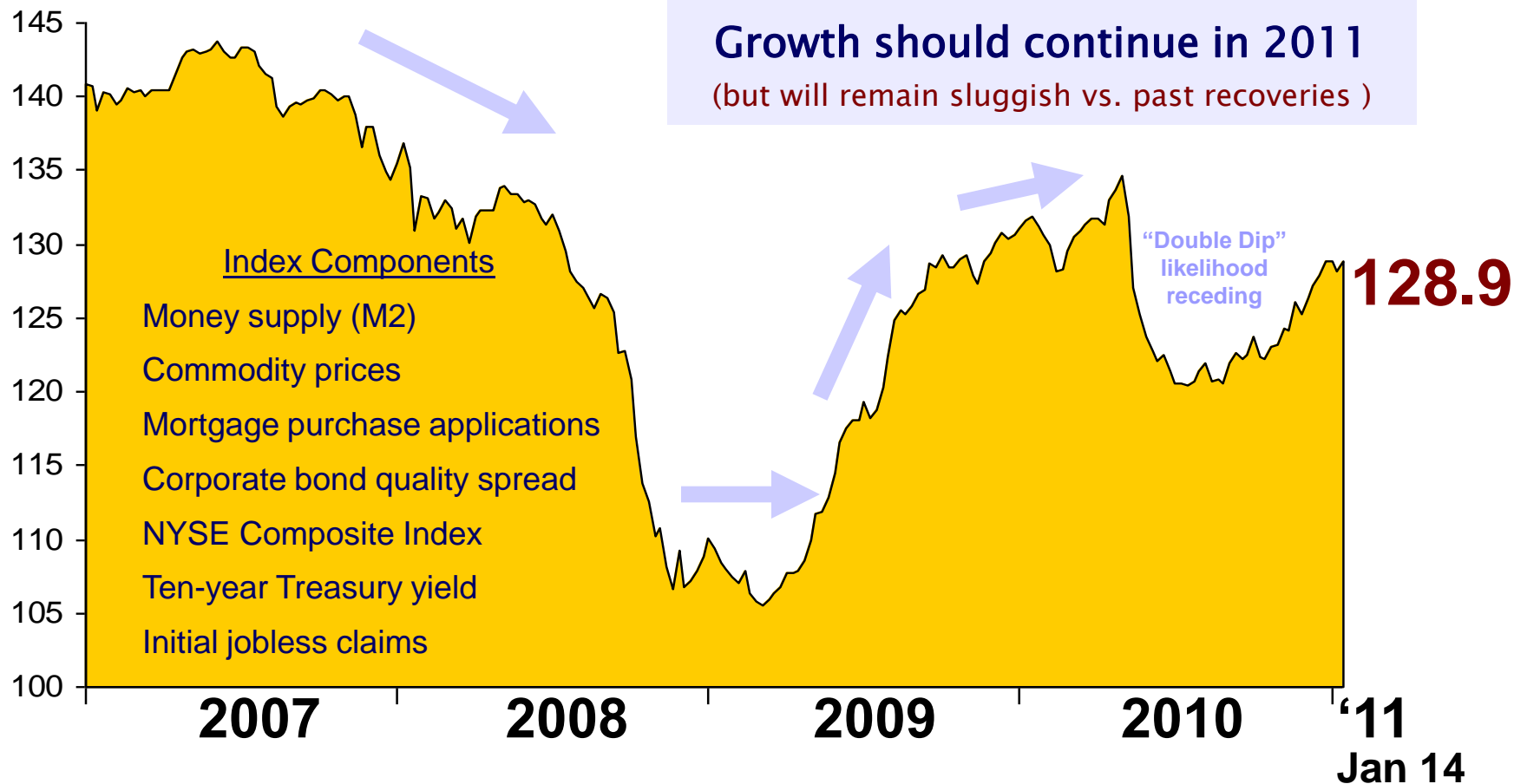


U.S. Leading Economic Index

Indicates a turning point in the economic cycle when changes in the direction of the index are persistent, pronounced, and pervasive over several months. Designed to turn down before a recession and turn up before an expansion.

Index
1992 = 100

6-9 Month Outlook
Growth should continue in 2011
(but will remain sluggish vs. past recoveries)



Seasonally Adjusted at Annual Rate

U.S. Real Gross Domestic Product

Trillions
of Constant
Q3:10 Dollars

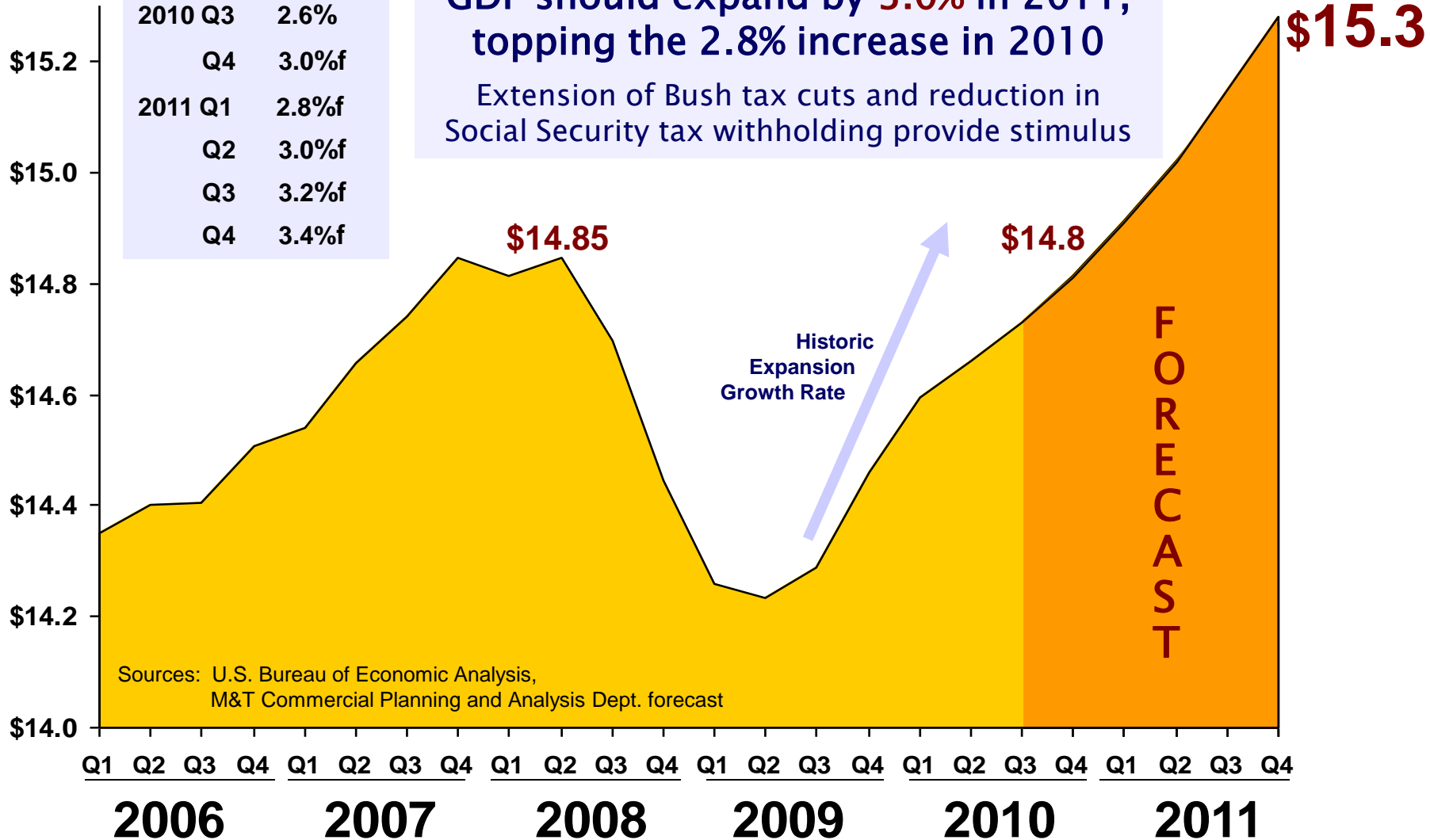
Linked Qtr Annualized
Percent Change

2010 Q3	2.6%
Q4	3.0%f
2011 Q1	2.8%f
Q2	3.0%f
Q3	3.2%f
Q4	3.4%f

Modest Expansion Continues...

GDP should expand by **3.0%** in 2011,
topping the **2.8%** increase in 2010

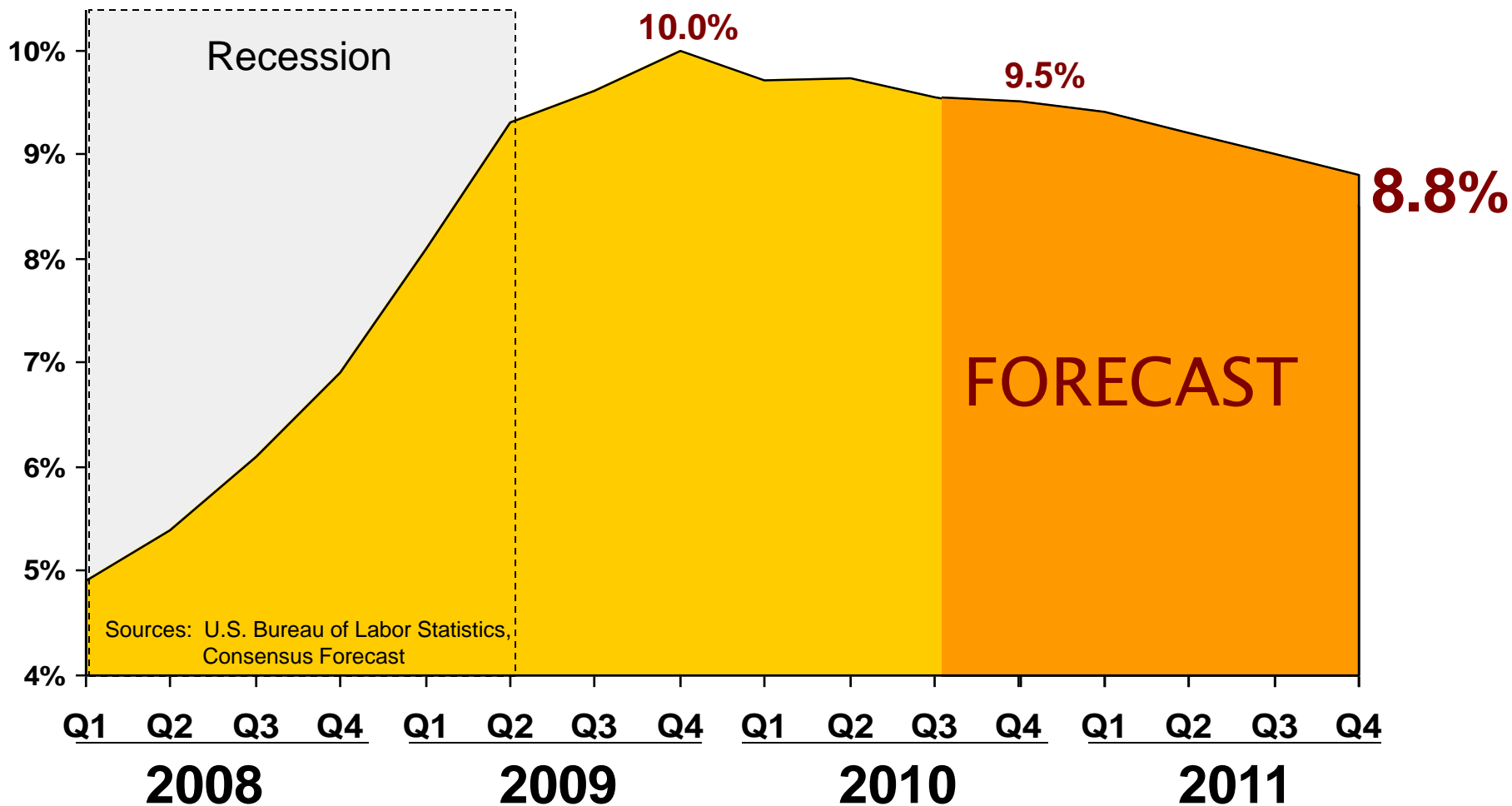
Extension of Bush tax cuts and reduction in
Social Security tax withholding provide stimulus



Sources: U.S. Bureau of Economic Analysis,
M&T Commercial Planning and Analysis Dept. forecast

Seasonally Adjusted U.S. Unemployment Rate Forecast

...But No Quick Fix to Labor Woes
Unemployment will remain elevated
for an extended period

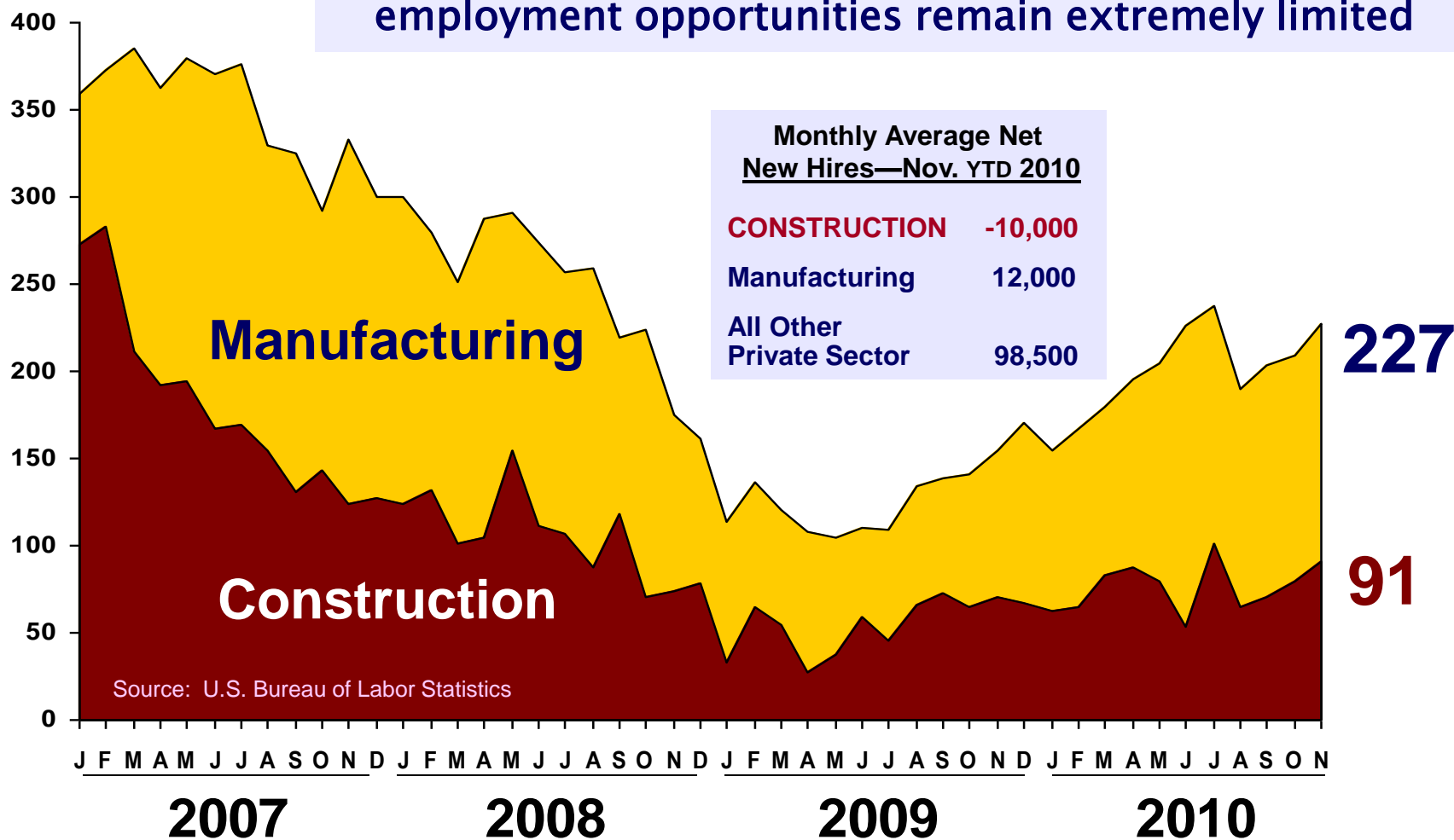


Seasonally Adjusted U.S. Job Openings by Industry

A Long Way Back to “Normal”

While industrial hiring is slowly improving, construction employment opportunities remain extremely limited

Thousands



Year-Over-Year Percentage Change

U.S. Non-Farm Business Productivity

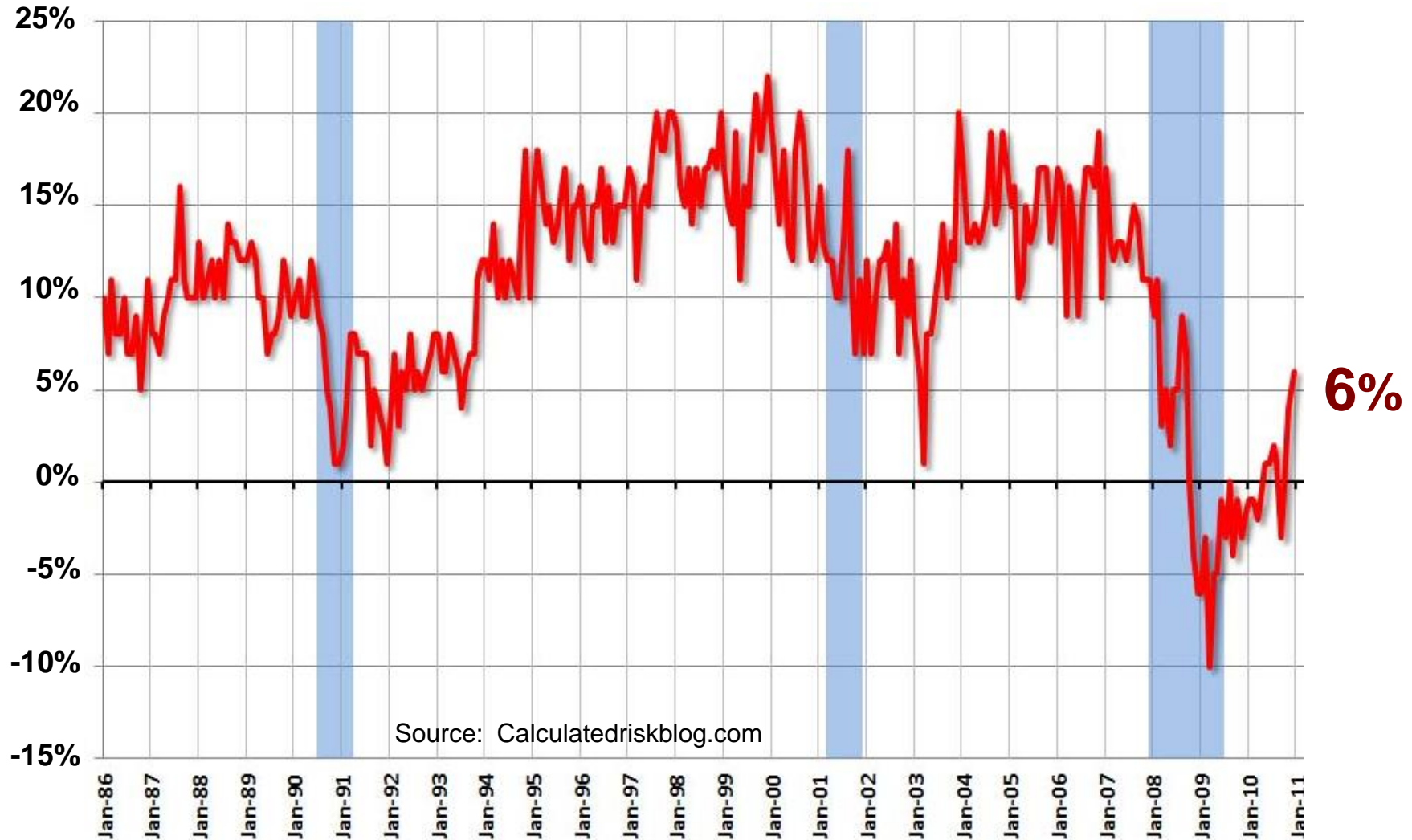
Total Output Per Employee Hour Worked



National Federation of Independent Business

Small Business Hiring Plans

Net Percent Planning to Hire in Next Three Months



Months' Supply of Available Homes

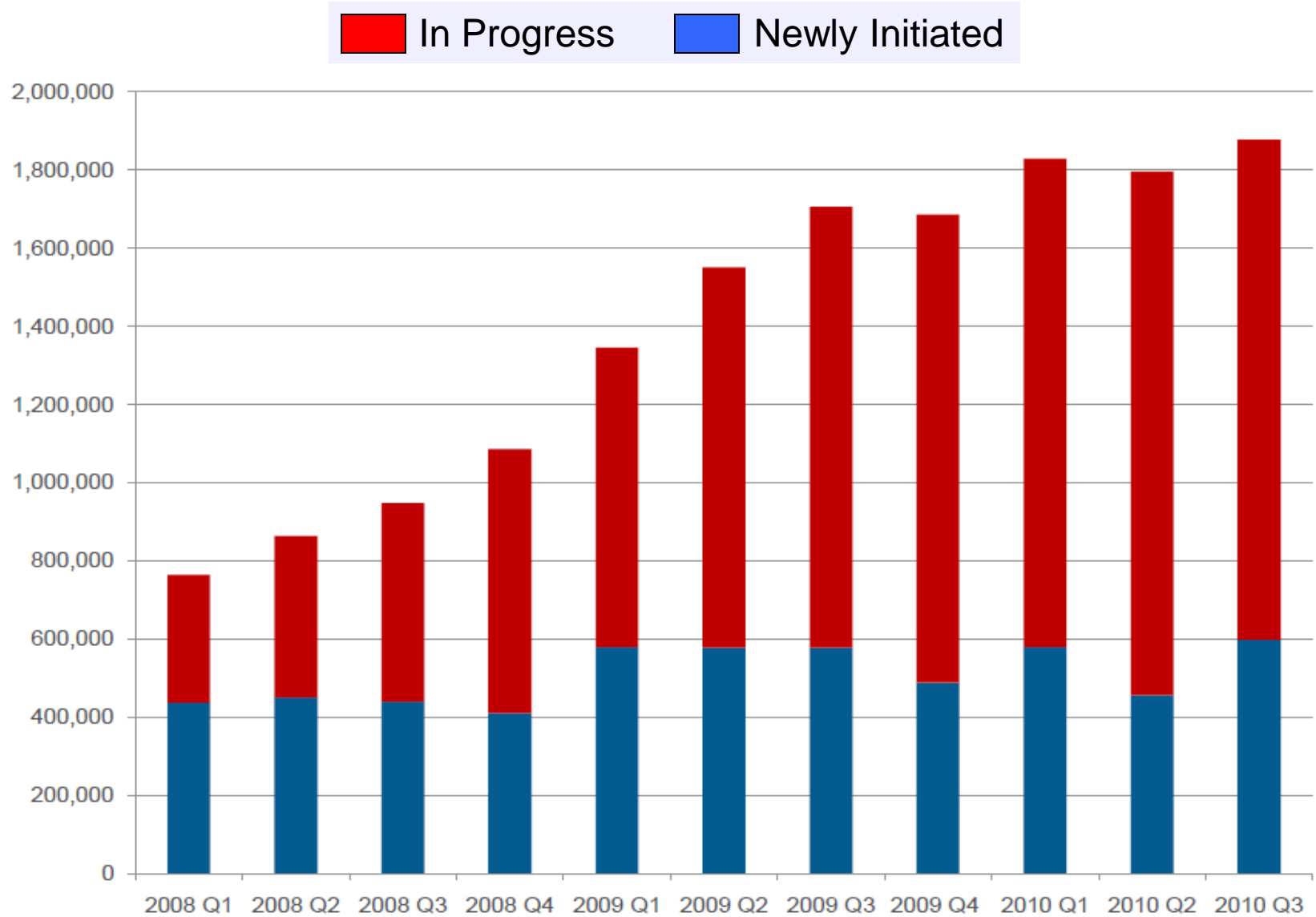
U.S. Single Family Homes For Sale

● Existing Homes
 New Homes

Months Supply
At Current
Sales Rate



U.S. Residential Mortgage Foreclosure Pipeline



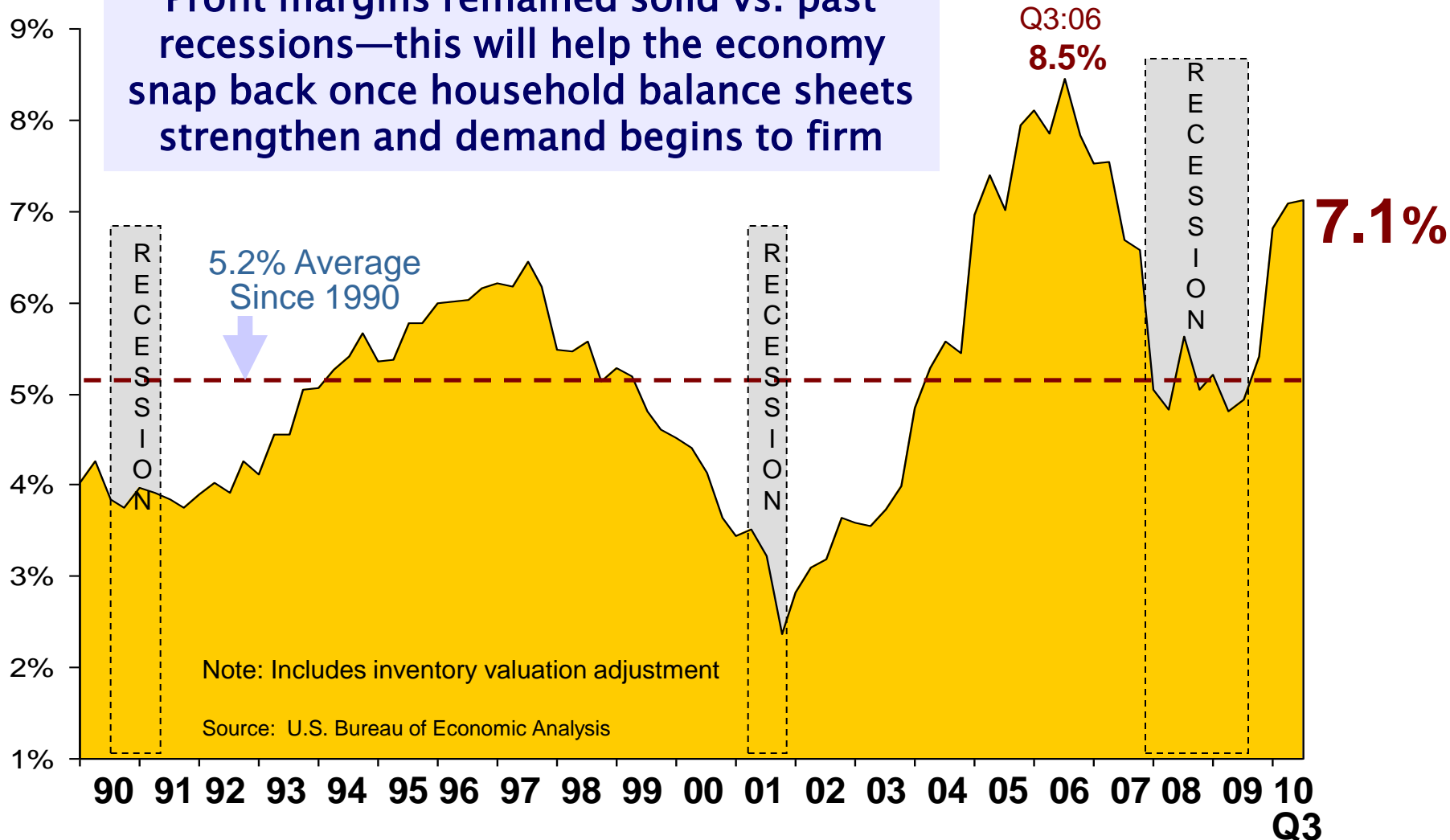
Source: FRBNY analysis of OCC & OTS Mortgage Metric Reports

U.S. Corporate Profits as a Percent of GDP

Domestic Non-Financial Industries

An Ace in the Hole

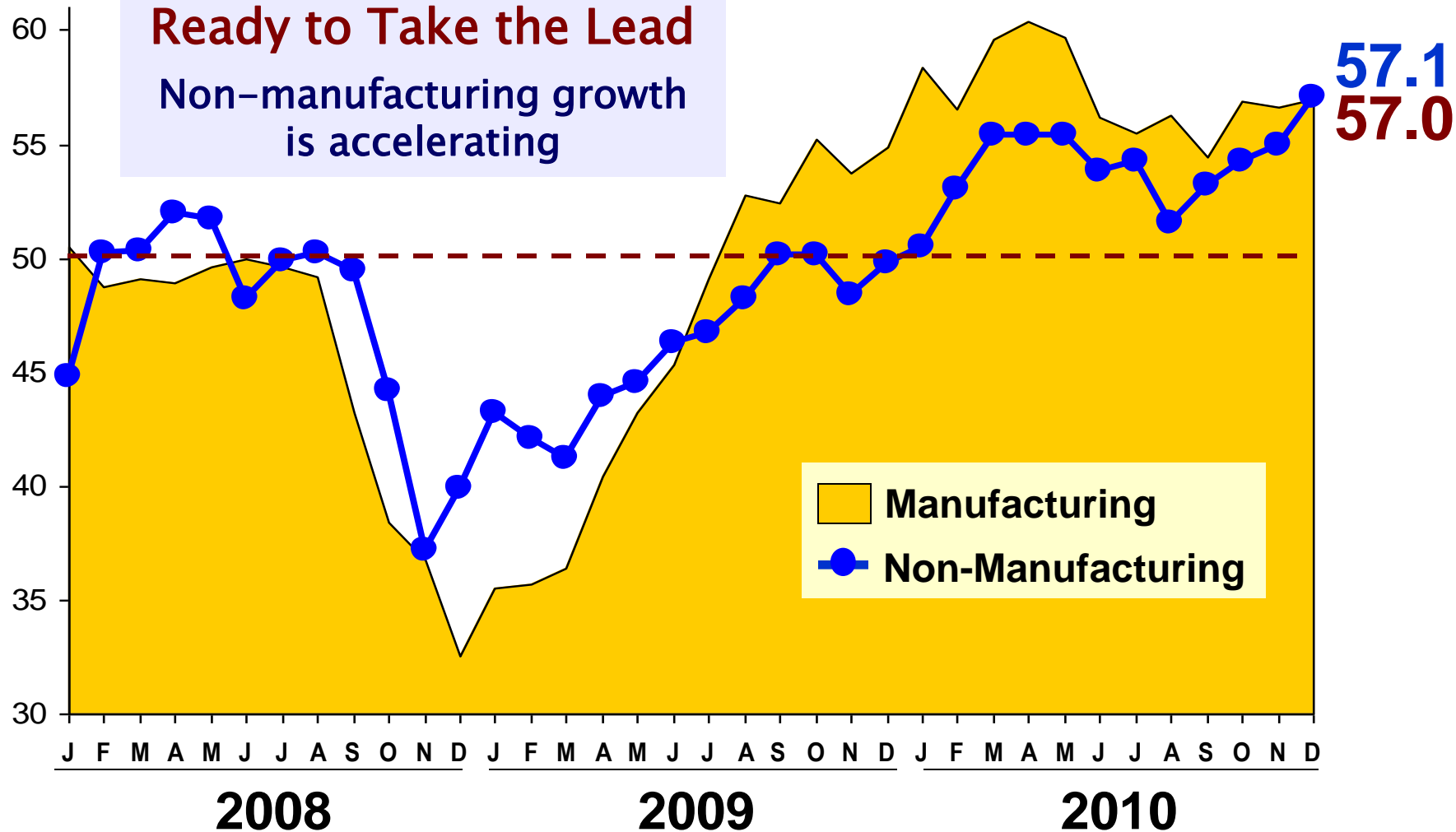
Profit margins remained solid vs. past recessions—this will help the economy snap back once household balance sheets strengthen and demand begins to firm



Manufacturing vs. Non-Manufacturing Index

Index Numbers Greater Than 50 = Expansion

The Broader Economy is Ready to Take the Lead
Non-manufacturing growth is accelerating

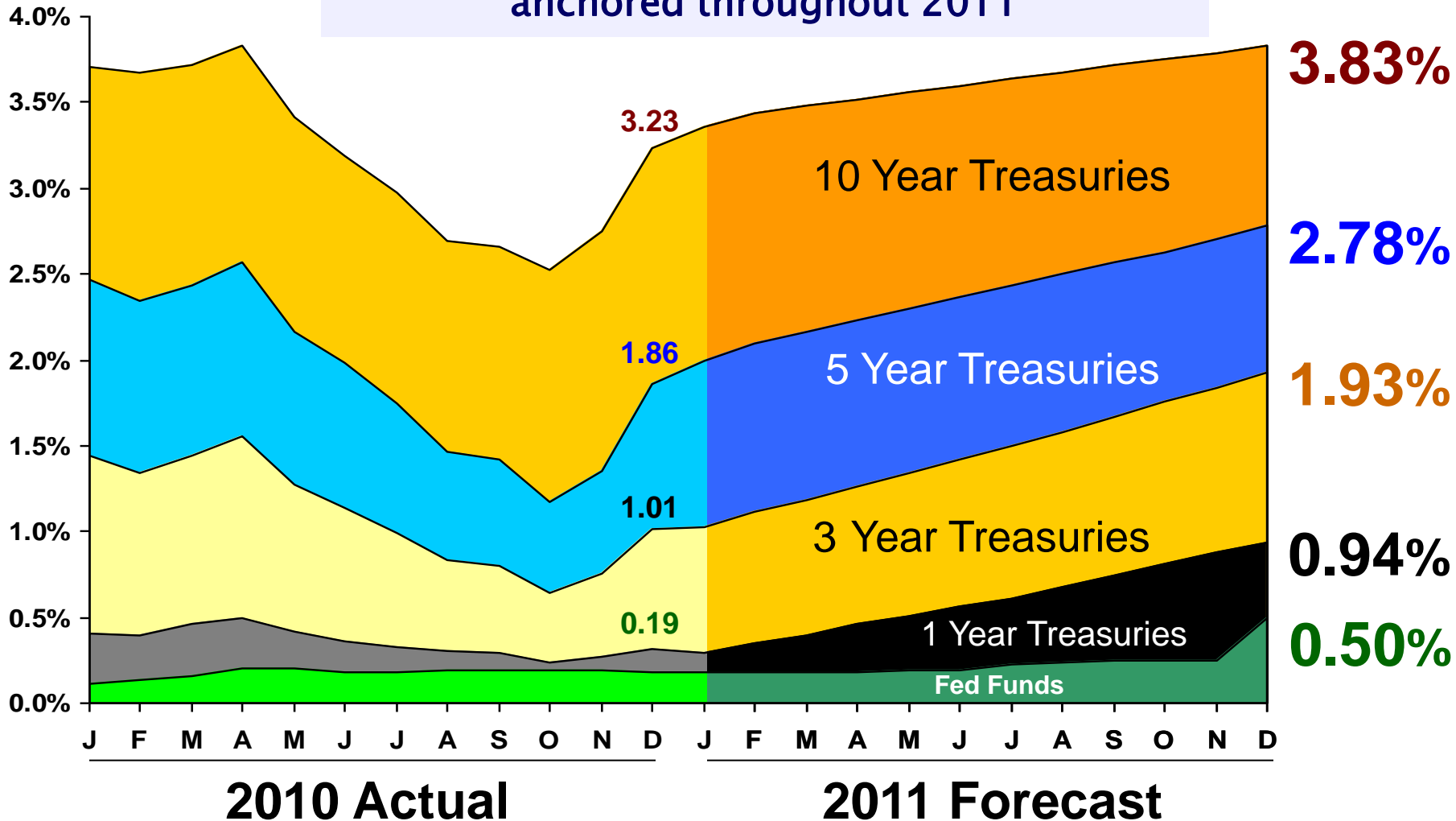


2011 Interest Rate Forecast

As of January 7, 2011

Intermediate Rates to Rise Modestly

While short-term rates should be well anchored throughout 2011





Federal Reserve Bank of New York

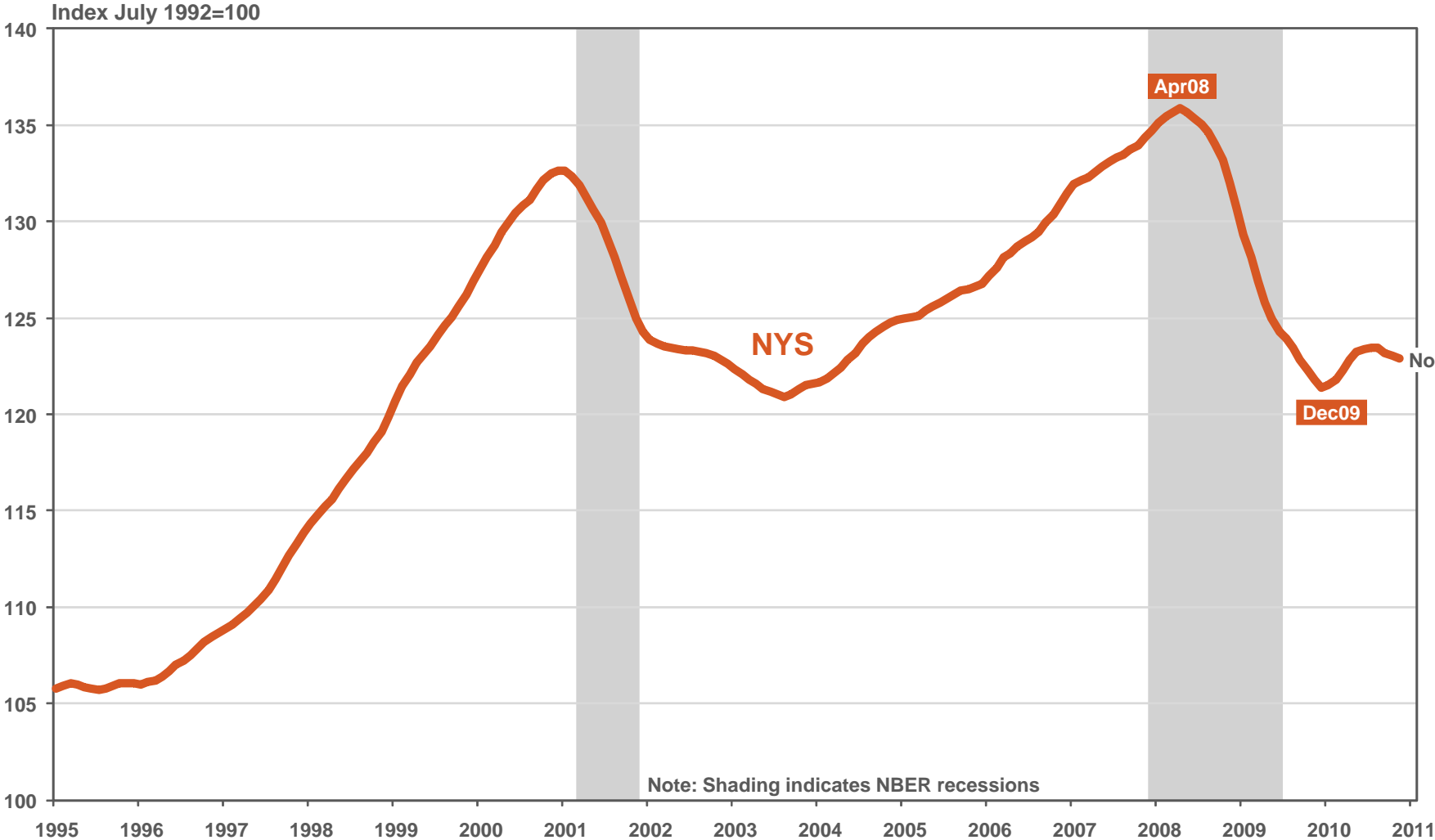
Economic Conditions in Western NY

Richard Deitz, Federal Reserve Bank of New York
January 26, 2011

The views expressed here are those of the presenter and does not necessarily represent the views of the Federal Reserve Bank of New York or the Federal Reserve System.

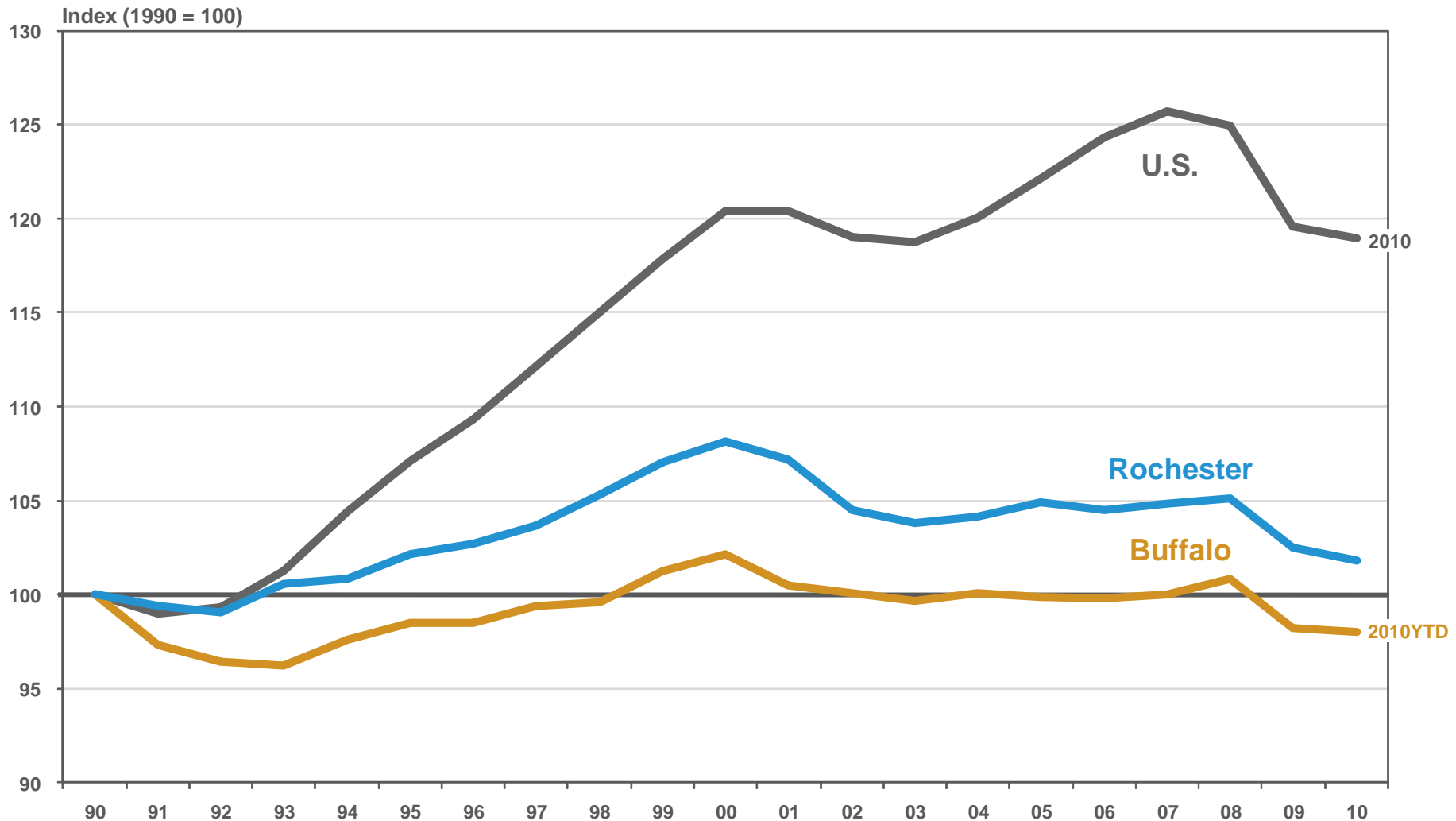
New York State Economic Activity

Index of Coincident Economic Indicators



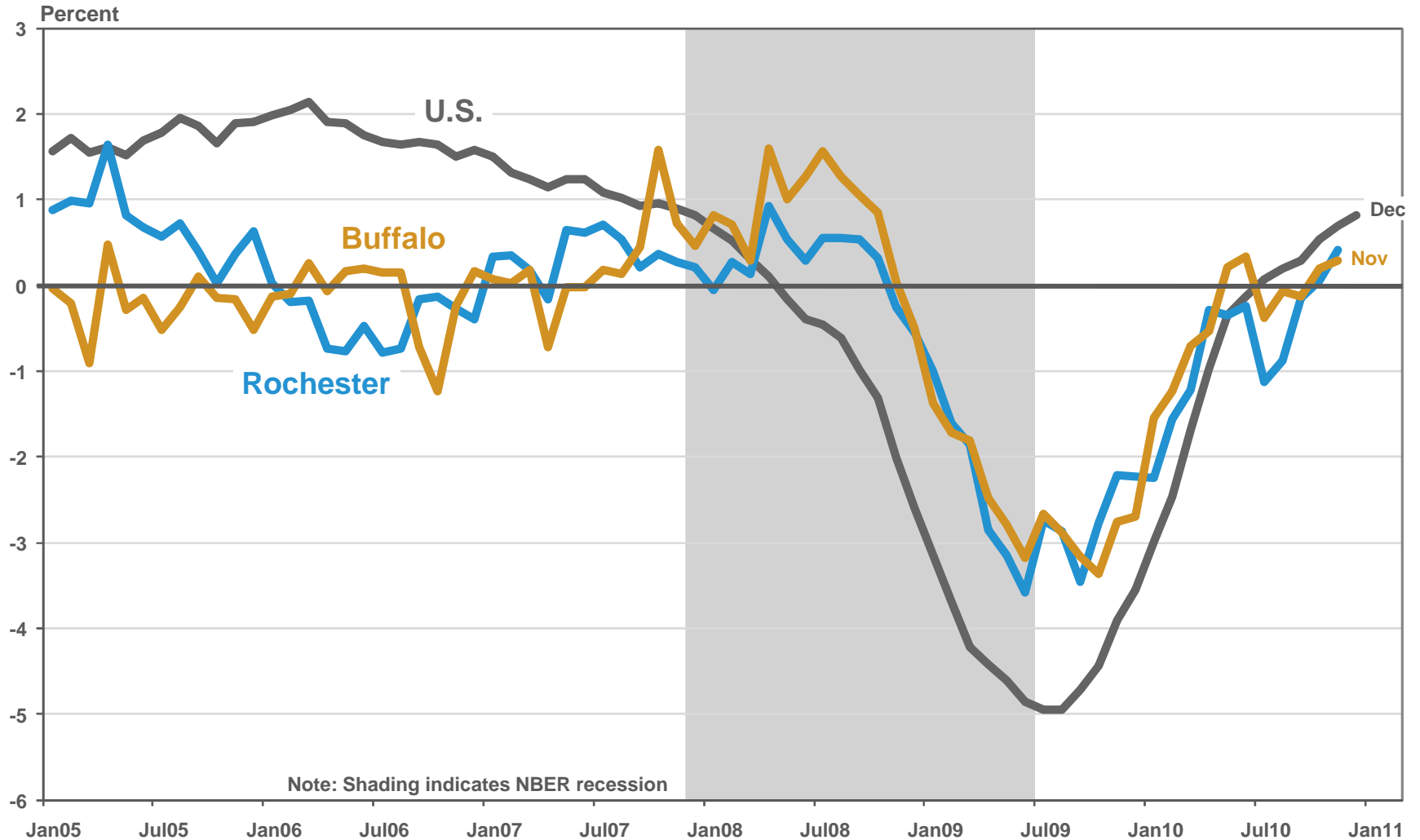
Little Long Term Employment Growth

Index of Total Annual Employment



Recently, Buffalo and Upstate More Stable Than Nation

Monthly Year-Over-Year Percent Change in Employment

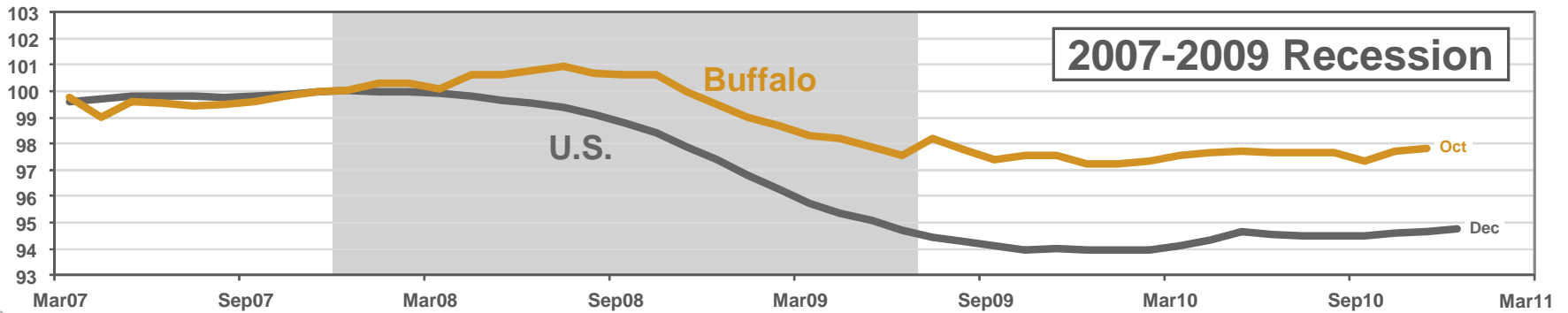
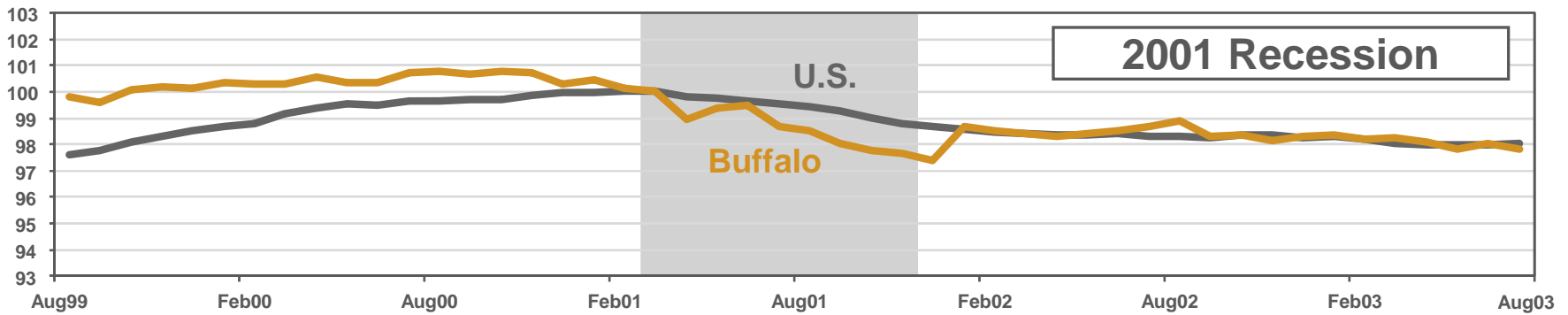
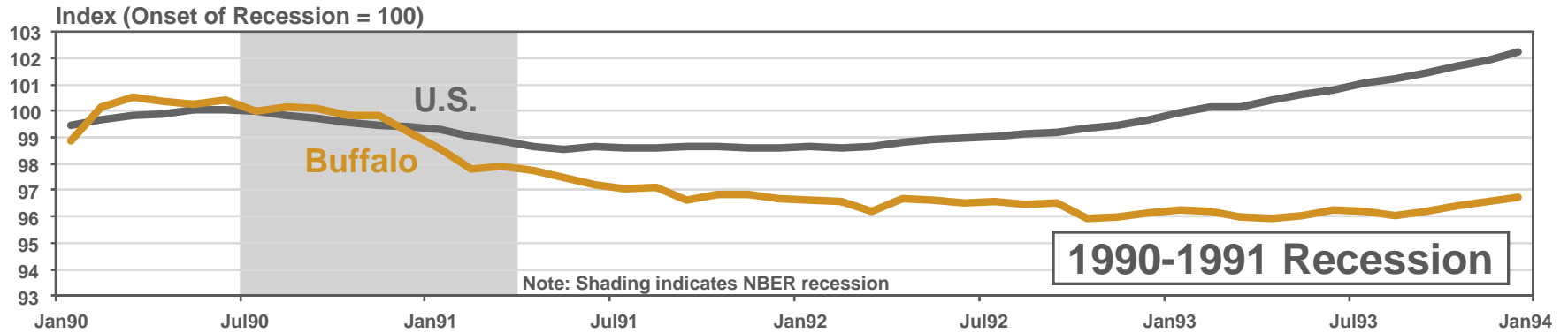


Note: Shading indicates NBER recession



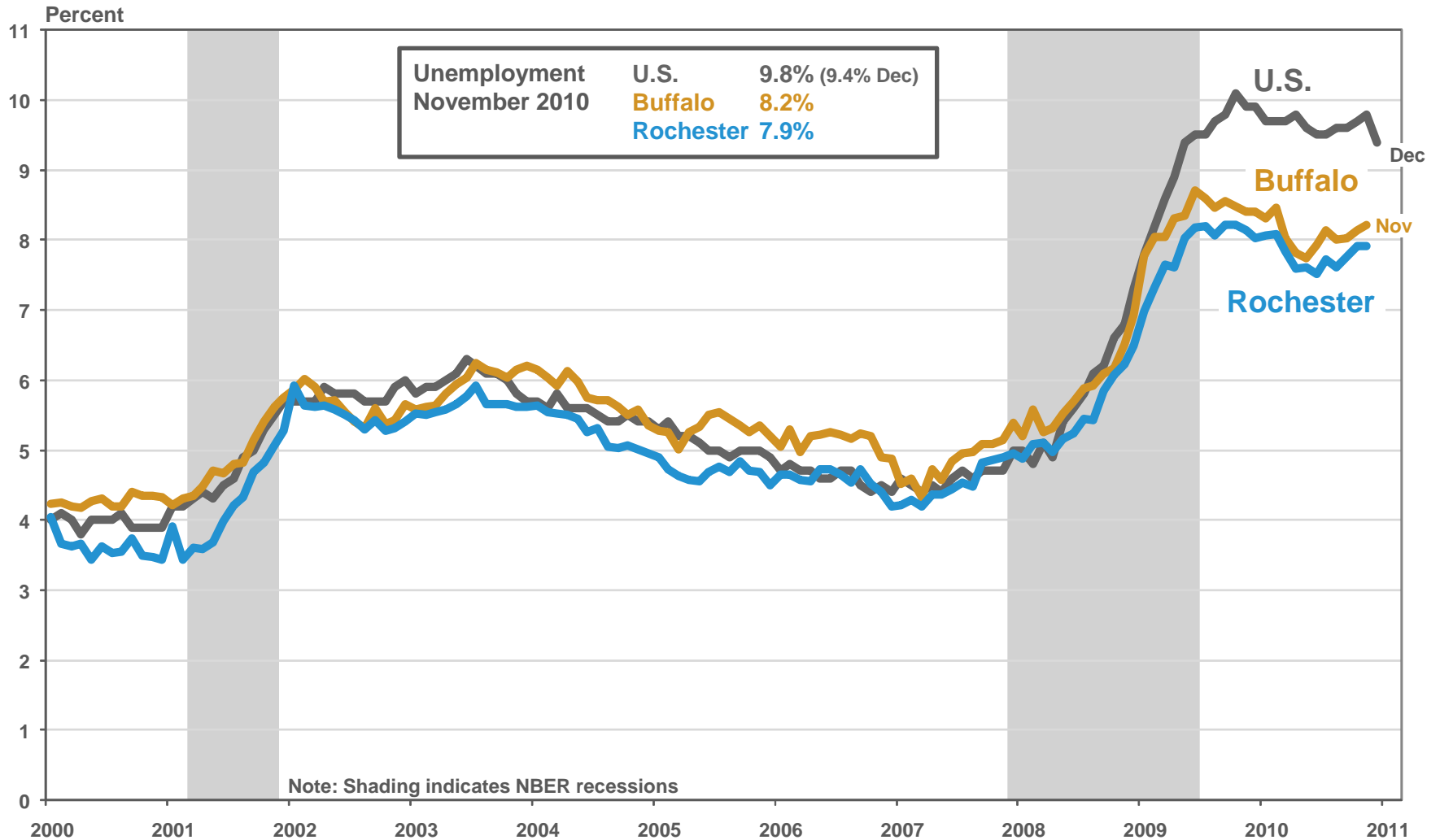
Recession Employment Dynamics

Past Three Cycles



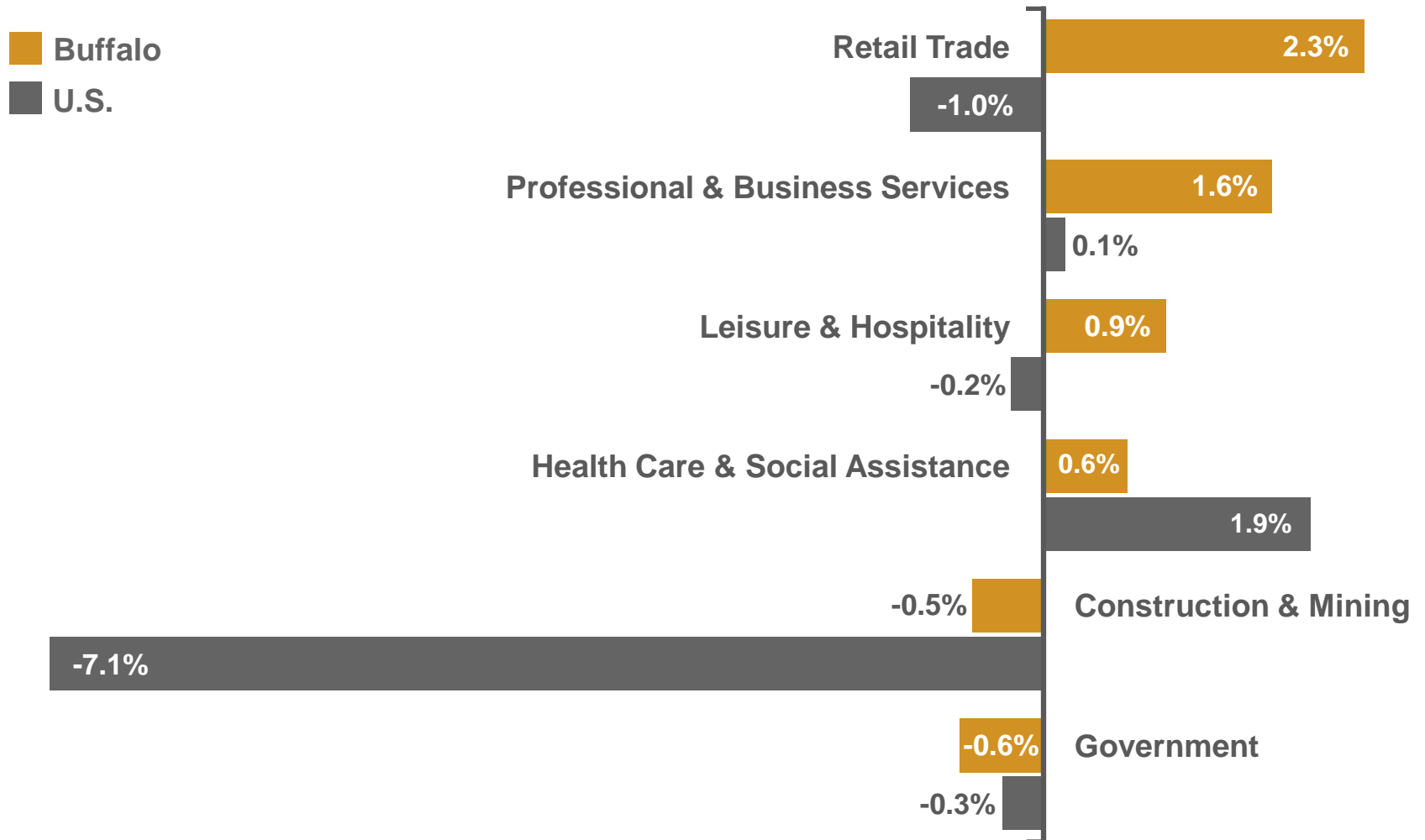
Unemployment Rates

Seasonally Adjusted



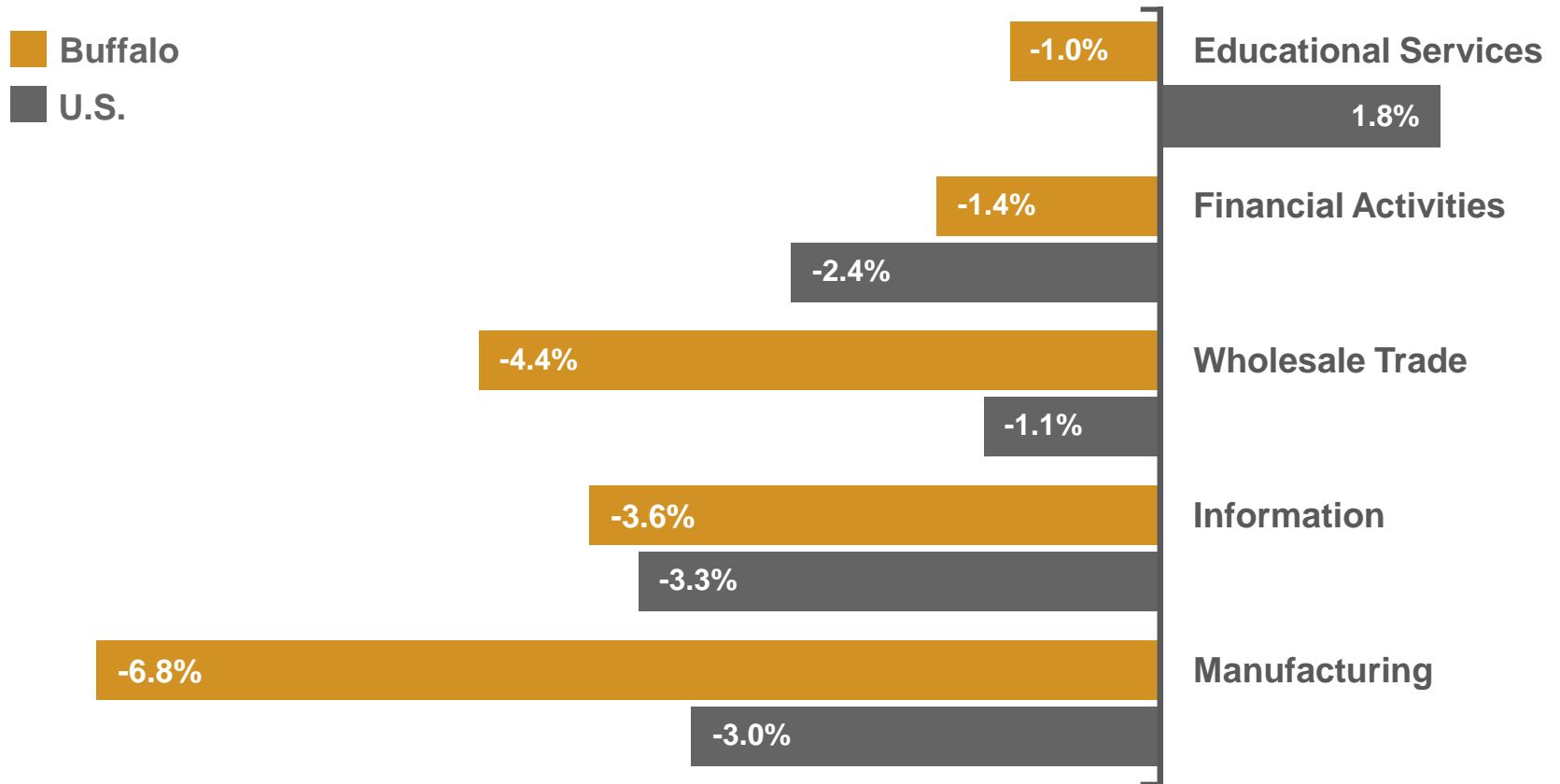
Job Growth by Sector

Last 12 Months (Ending November 2010)



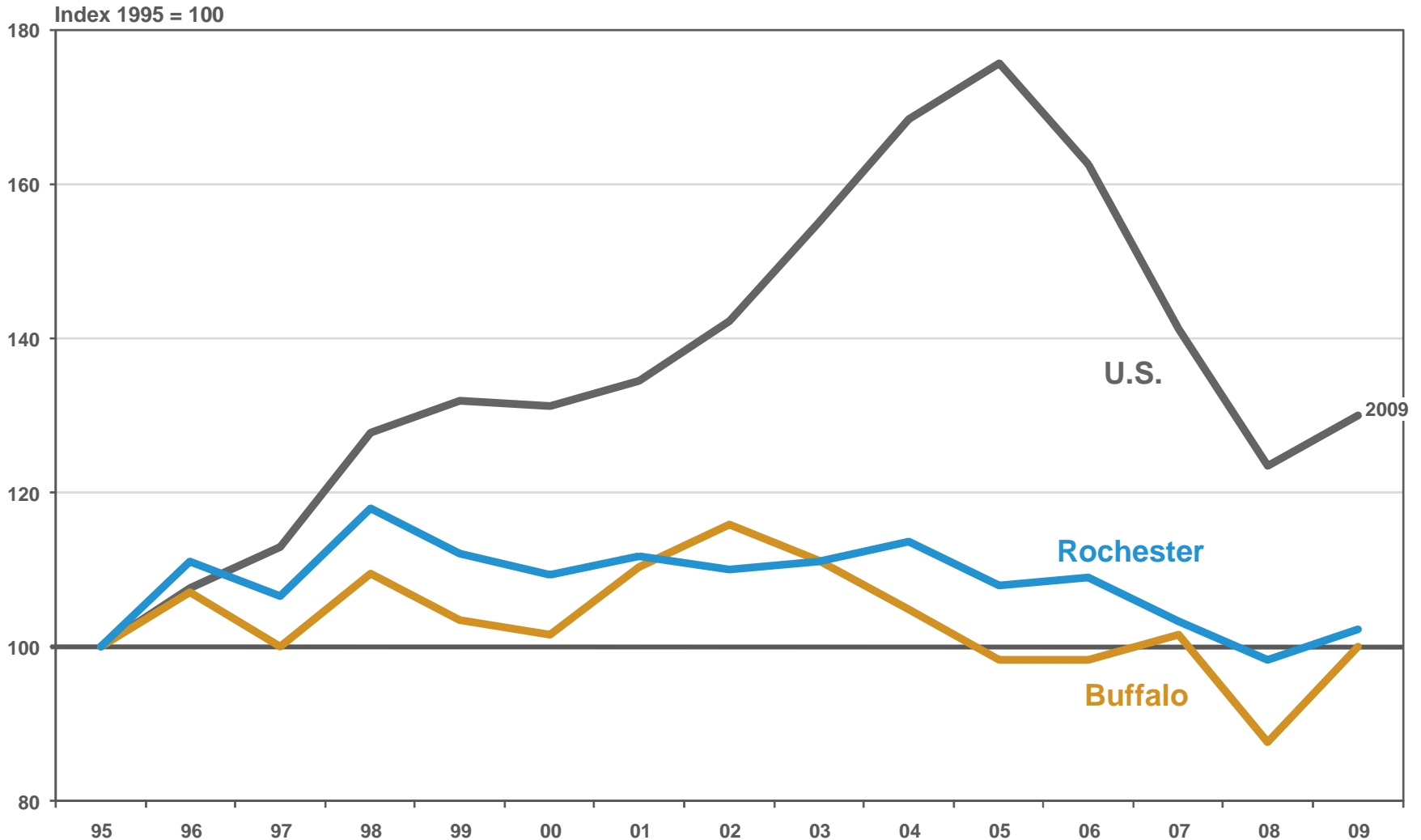
Job Growth by Sector

Last 12 Months (Ending November 2010)



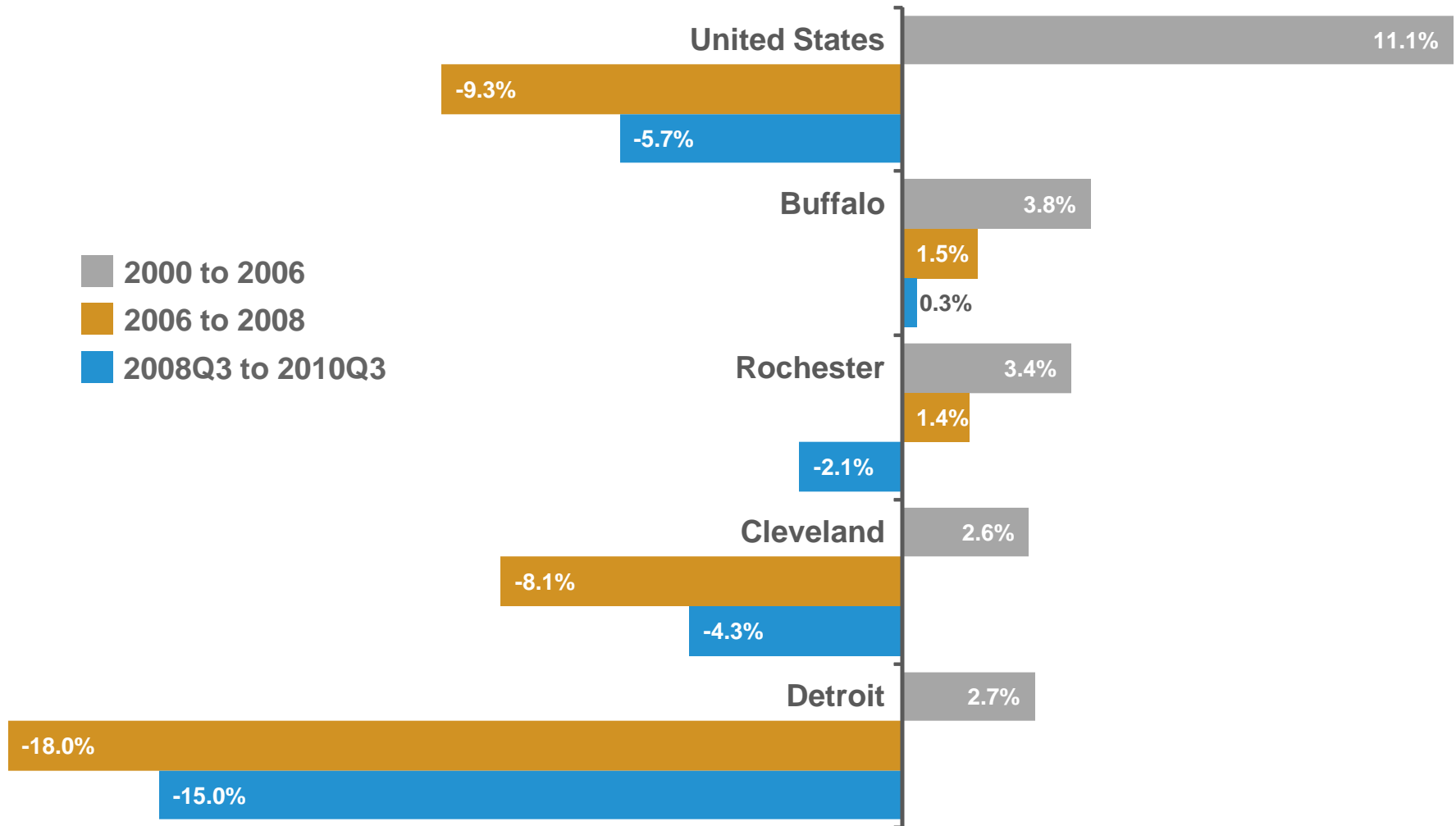
No Housing Boom. No Housing Bust.

Index of Existing Single-Family Home Sales



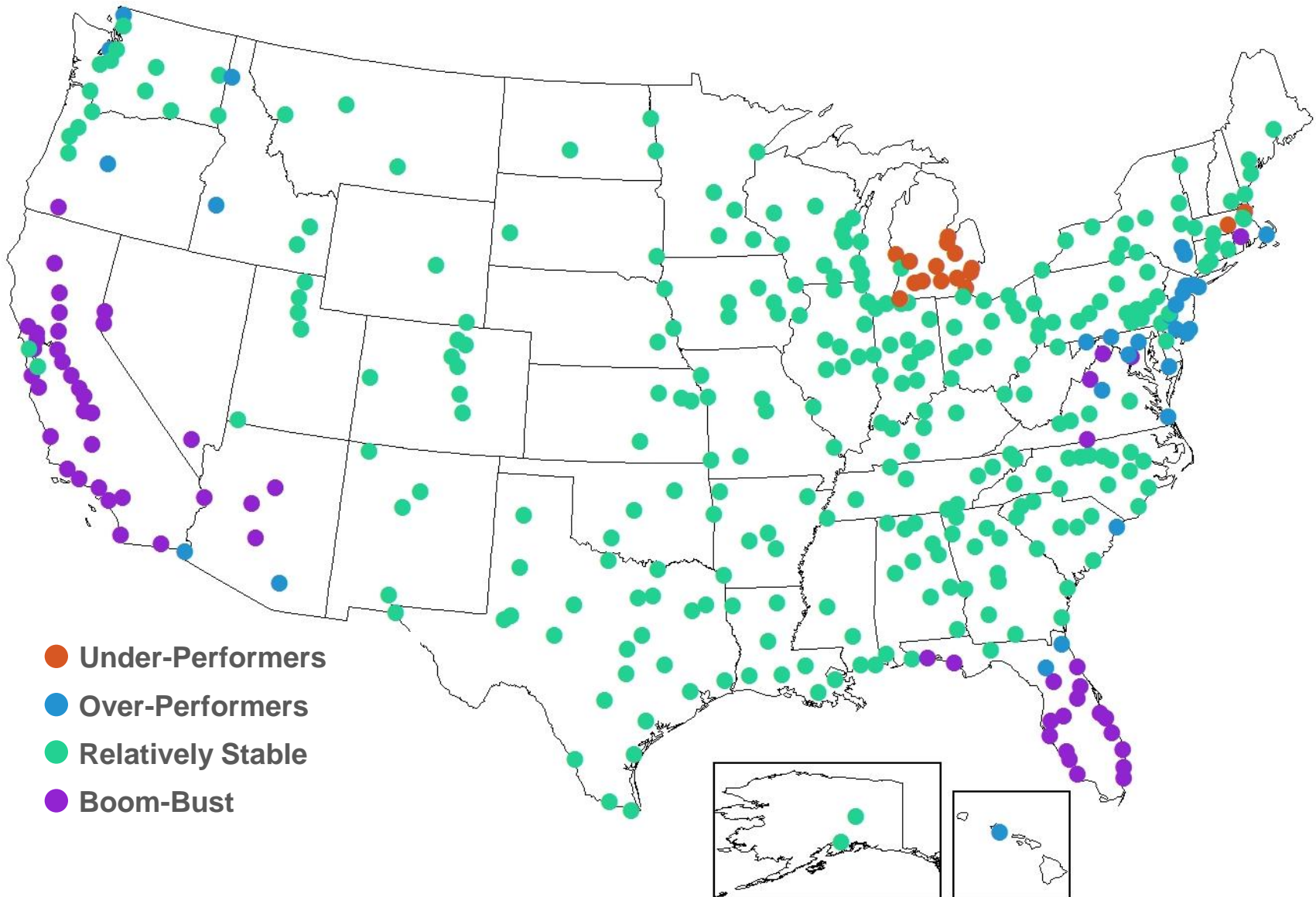
Housing Prices

Average Annual Percent Change



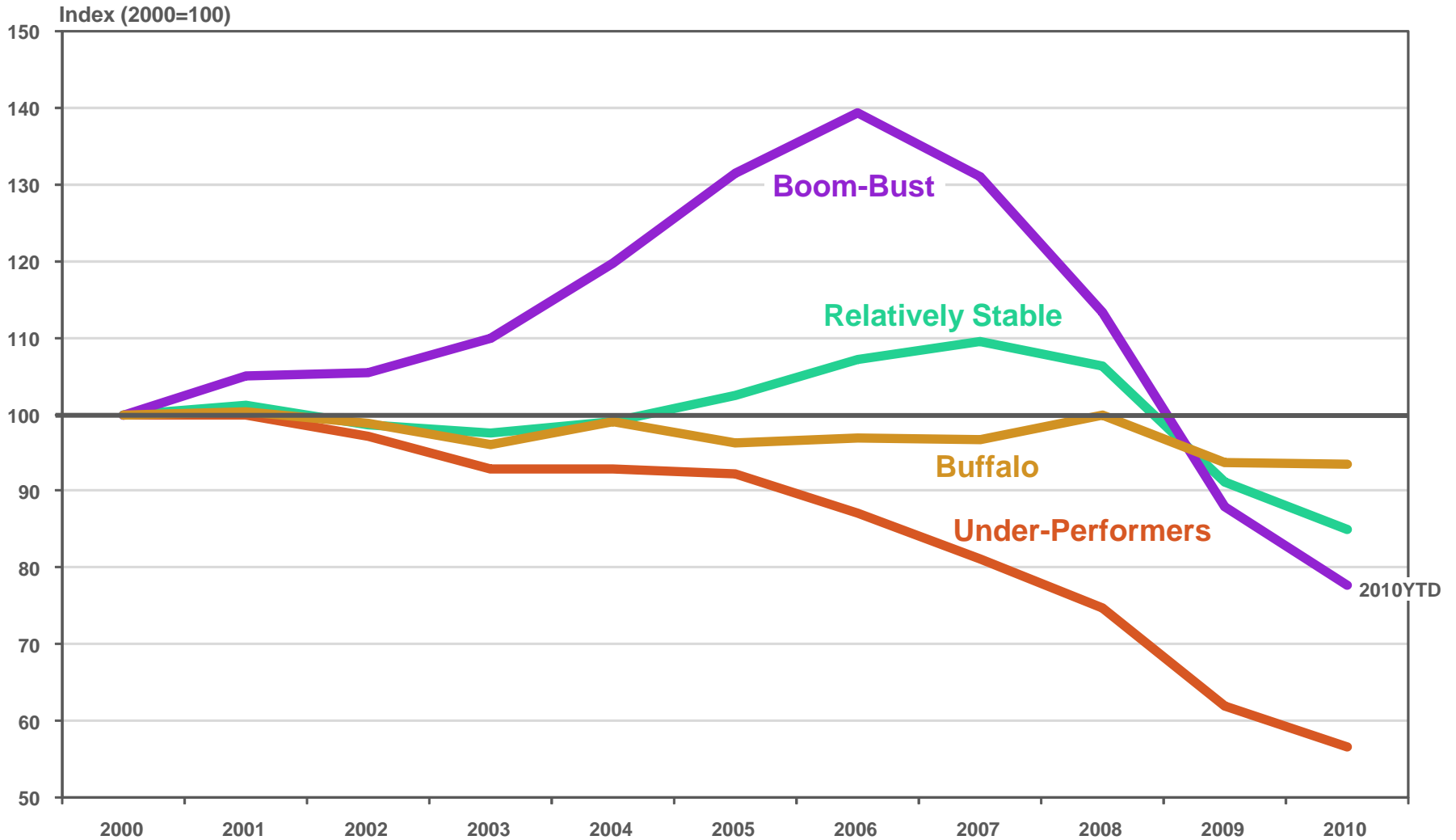
The Geography of the Housing Boom and Bust

Based on Housing Price Changes: 2000-2006 vs. 2006-2008



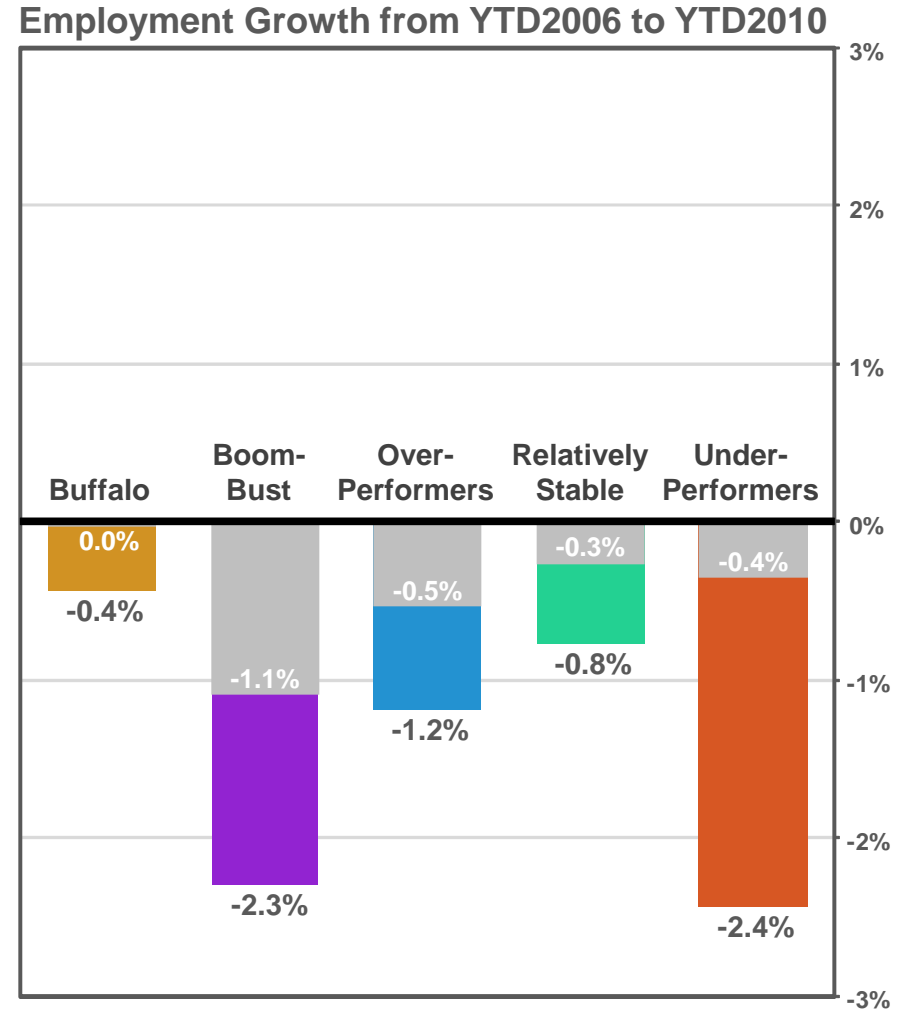
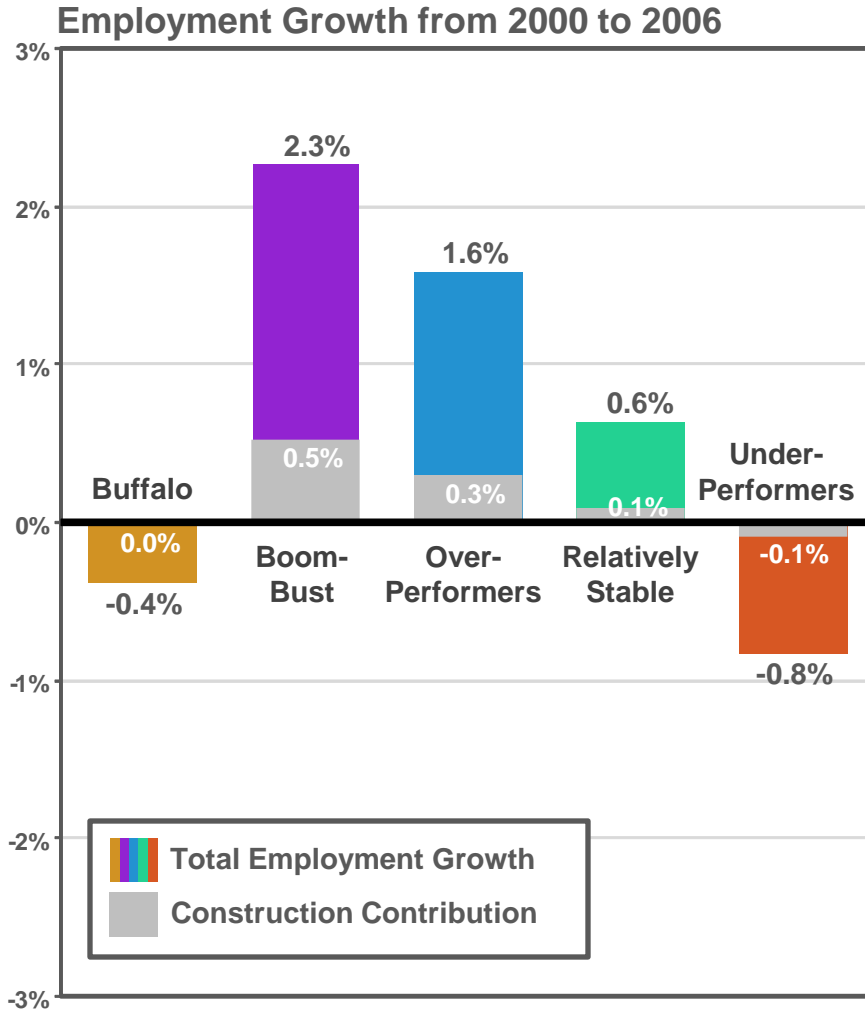
Growth in Construction Employment

Seasonally Adjusted and Indexed



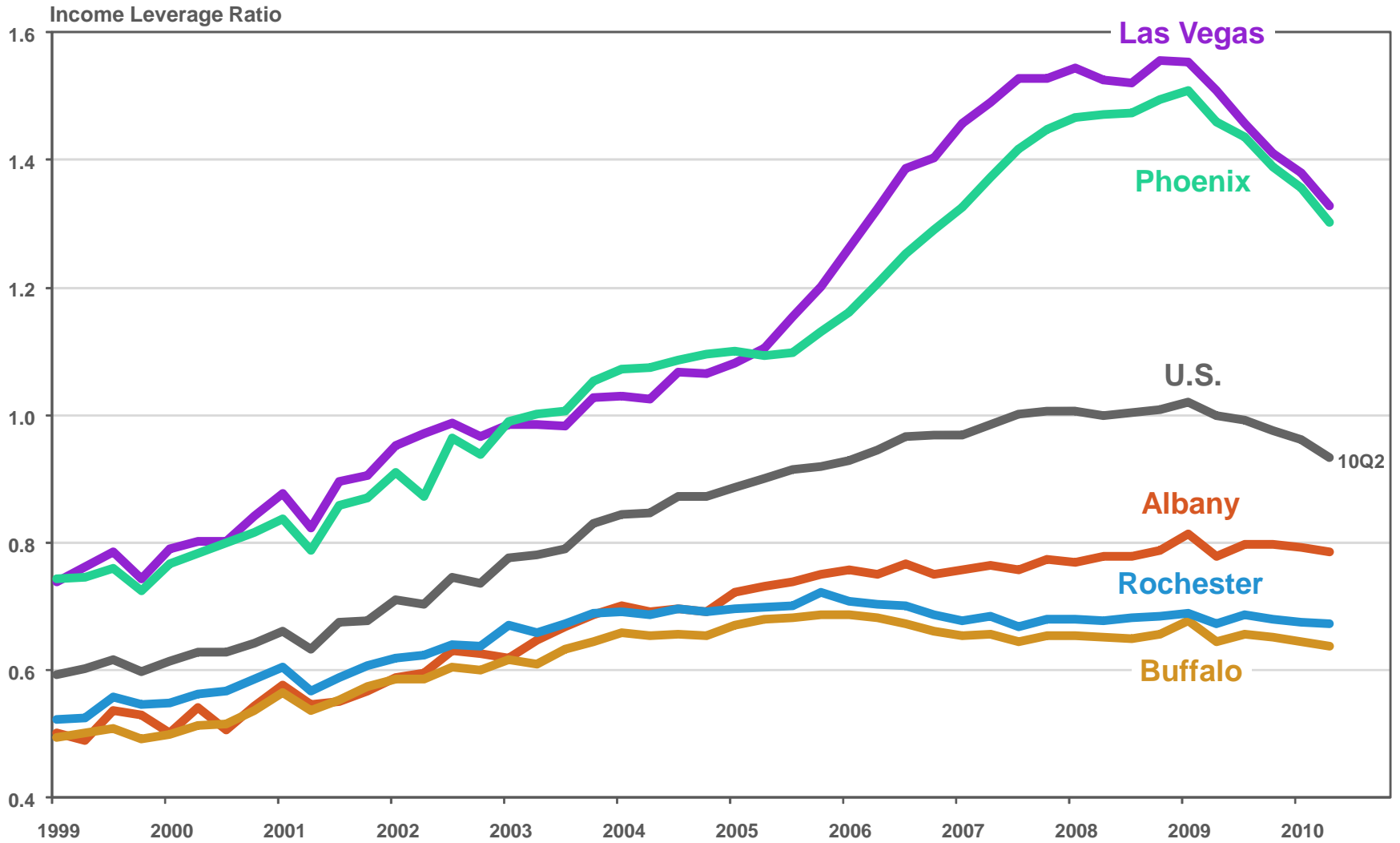
Construction's Contribution to the Latest Cycle

Average Annual Percent Changes, Seasonally Adjusted



Less Indebtedness in the Region

Ratio of Total Debt to Total Income



Conclusions

- Like much of upstate New York, the Buffalo economy has proven to be relatively stable, although the recovery remains weak
- Canadian shoppers have given a boost to the region's retail and hospitality sectors
- Looking forward, state and local budgets will remain under significant pressure, and may pinch the historically strong education and health care sectors



Global Economic Outlook



JPMorgan Global Manufacturing PMI™

Produced by JPMorgan and Markit in association with ISM and IFPSM

Global Manufacturing PMI ended 2010 at a six-month high

The global manufacturing sector ended 2010 on a strong footing. Rates of growth in production and new orders accelerated, leading to a further solid increase in employment.

At a six-month high of 55.0 in December, the **JPMorgan Global Manufacturing PMI™** pointed to a robust improvement in overall operating conditions. The PMI has remained above the 50.0 no-change mark throughout the past one-and-a-half years. The average reading for the PMI in Q4 2010 was above that in Q3 but below the six-year high reached in the second quarter.

** Please note that PMI data for the United Kingdom were not available for inclusion in the Global PMI at the time of publication.*

Manufacturing production increased for the nineteenth month running in December, with the pace of expansion the fastest since June. Moreover, the average rate of growth during 2010 as a whole was the quickest since 2004 and the second-sharpest since the series began in 1998. The expansion in output remained broad-based by nation, with only Japan and Greece reporting contractions. Growth accelerated sharply in the US and the Eurozone, while also remaining strong in China.

Growth of **new orders** also picked up in December. Although the rate of increase hit a seven-month peak, it was well below those generally seen at the start of the year. Incoming new work has now risen for 18 consecutive months. Higher levels of new business were seen in the US, the Eurozone and China, while

Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"December saw the PMI indexes for output and new orders push further away from their recent lows. This acceleration towards year-end suggests the sector will enter 2011 on a firmer footing than looked likely at the end of Q3. Job creation also remained solid, which will be a boost for the broader economic recovery."

JPMorgan Global Manufacturing PMI

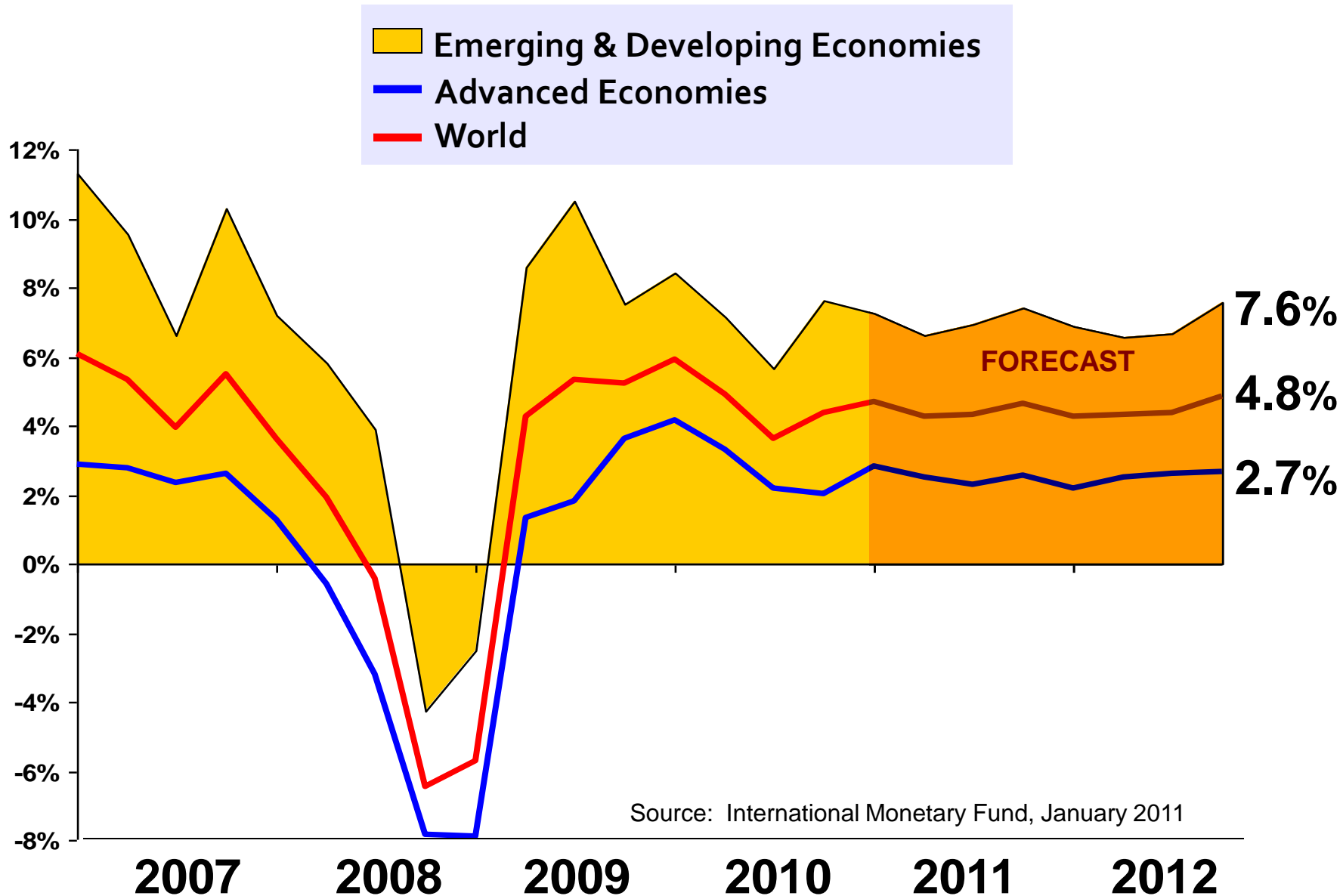
DI, sa



Global manufacturing output

Inflation-Adjusted Change From Previous Quarter at Annualized Rate

Global GDP Growth Forecast



Source: International Monetary Fund, January 2011

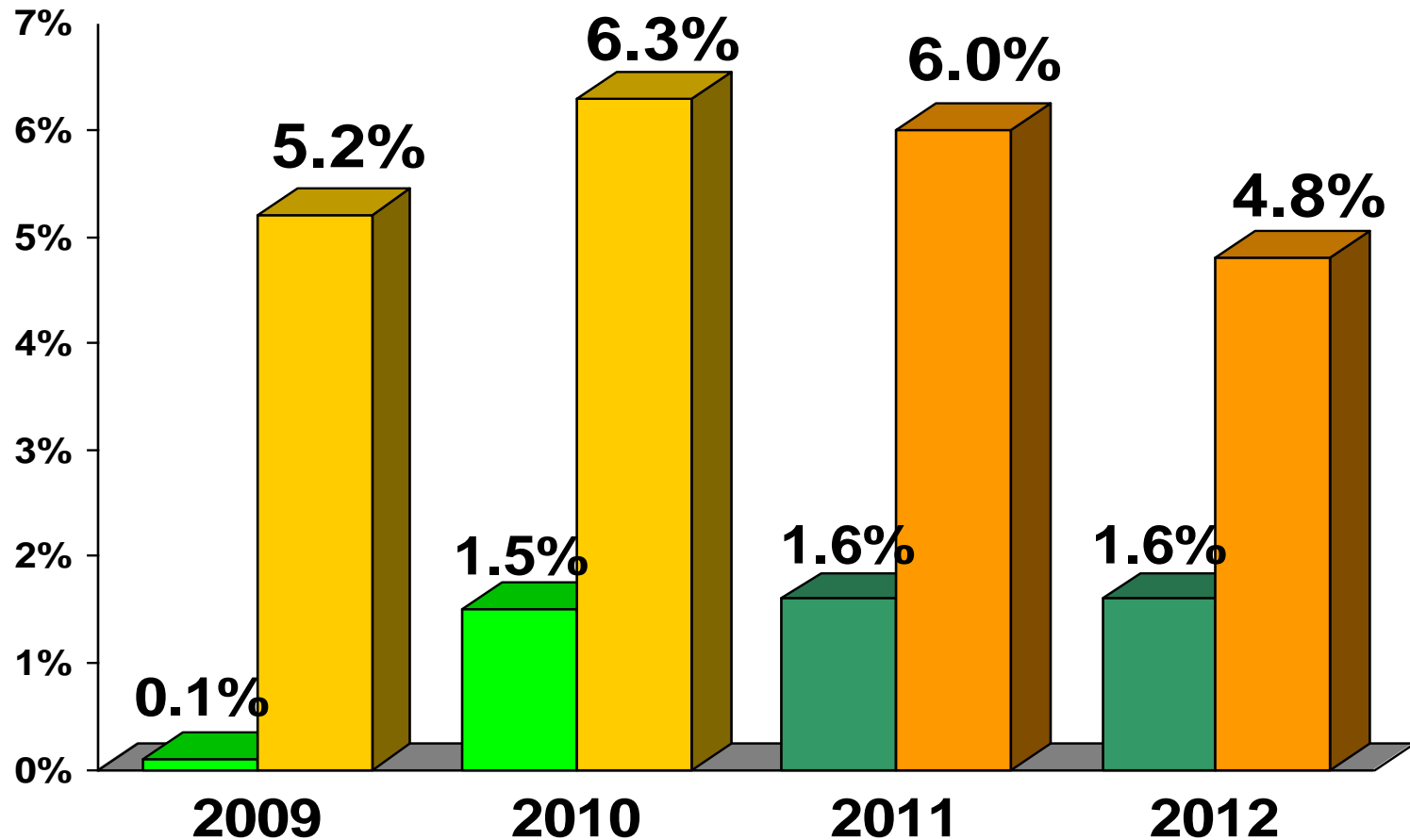
Real GDP Growth Forecast by Region

Source: International Monetary Fund
January 25, 2011

	2009	2010	2011
Developing Asia	7.0%	9.3%	8.4%
China	9.2%	10.3%	9.6%
Latin America	-1.8%	5.9%	4.3%
Mexico	-6.1%	5.2%	4.2%
United States	-2.6%	2.8%	3.0%
Canada	-2.5%	2.9%	2.3%
United Kingdom	-4.9%	1.7%	2.0%
Euro Zone	-4.1%	1.8%	1.5%

Inflation Forecast by Region

■ Advanced Economies ■ Emerging & Developing Economies



Source: International Monetary Fund—January 25, 2011

Forecast

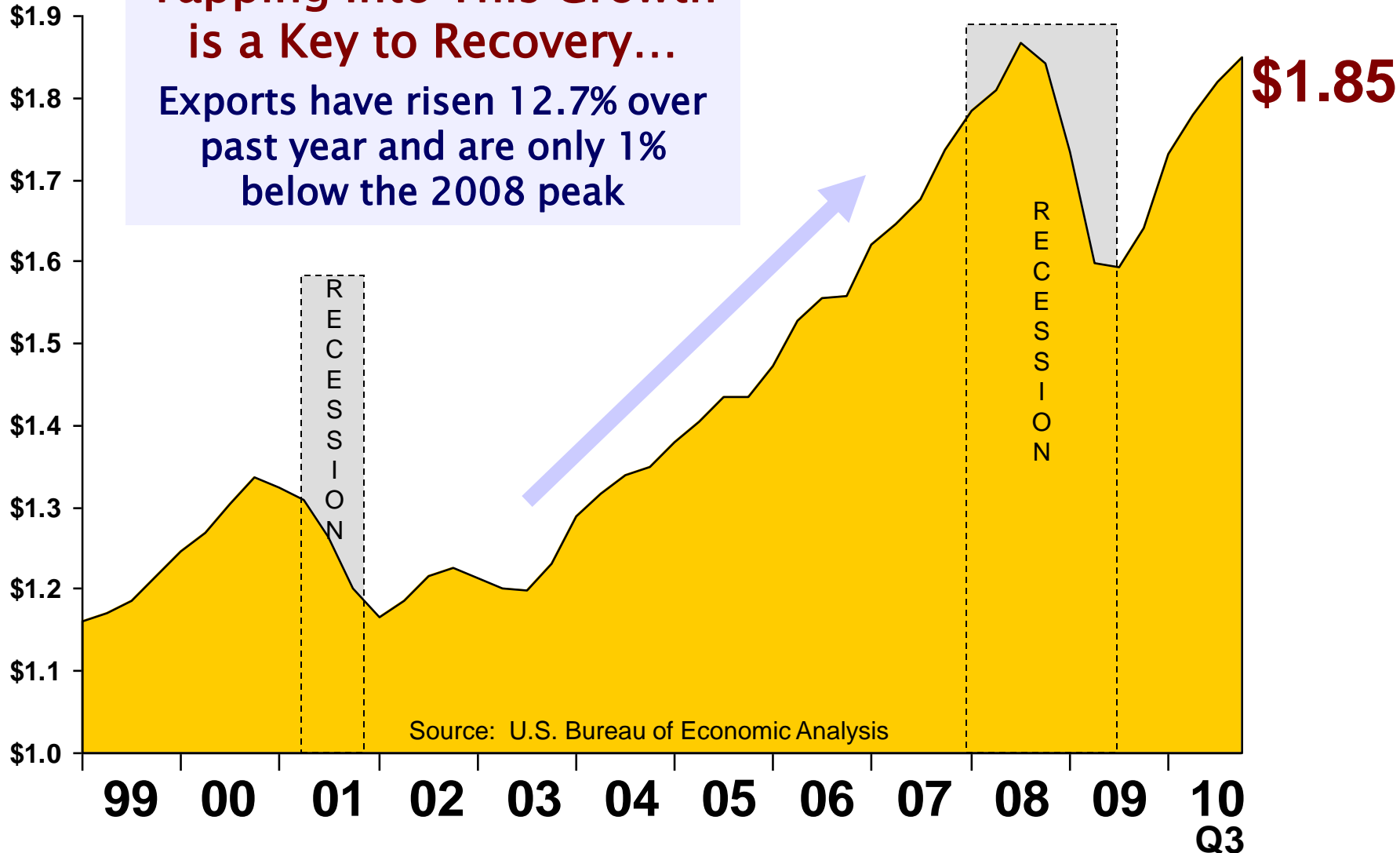
Inflation-Adjusted at Seasonally Adjusted Annual Rate

U.S. Goods & Services Exports

Trillions of
Constant
Q3:10 Dollars

**Tapping Into This Growth
is a Key to Recovery...**

**Exports have risen 12.7% over
past year and are only 1%
below the 2008 peak**



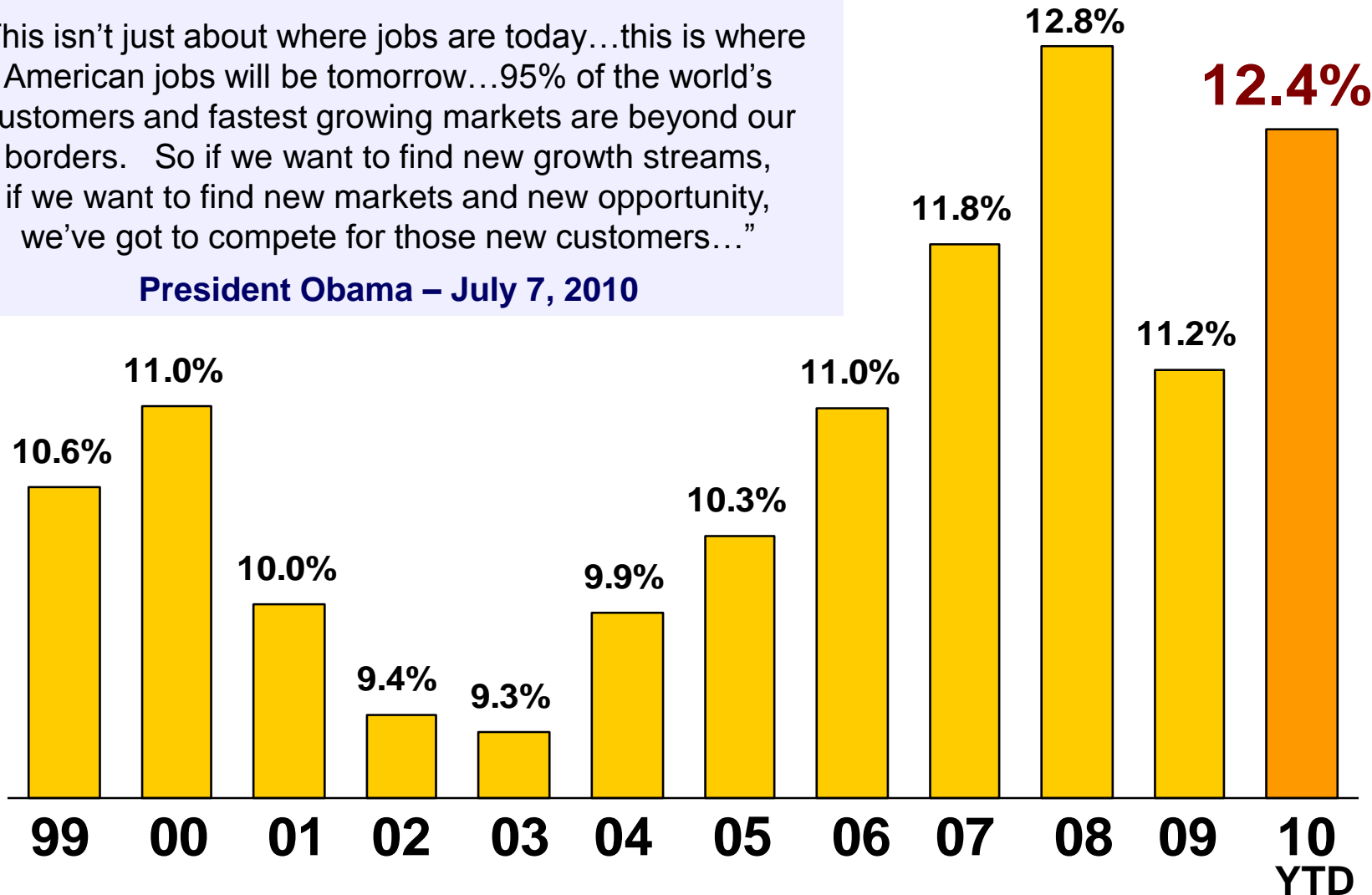
Seasonally Adjusted at Annual Rate

U.S. Exports as a Percent of GDP

...And Future Growth

“This isn’t just about where jobs are today...this is where American jobs will be tomorrow...95% of the world’s customers and fastest growing markets are beyond our borders. So if we want to find new growth streams, if we want to find new markets and new opportunity, we’ve got to compete for those new customers...”

President Obama – July 7, 2010

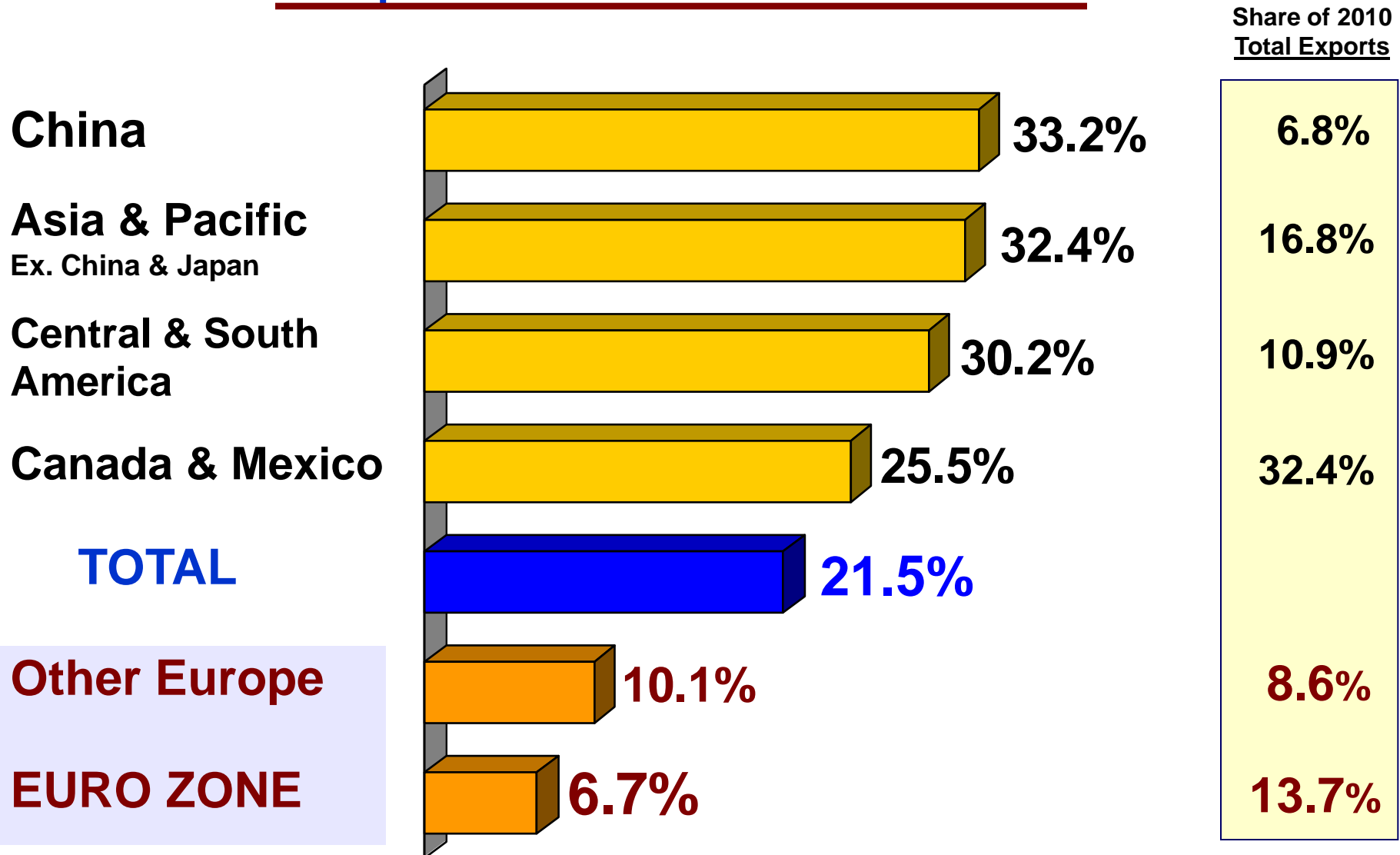


Source: U.S. Bureau of Economic Analysis

Year-Over-Year Change

Growth in U.S. Exports by Destination

September YTD 2009 vs. 2010



Source: U.S. Census Bureau

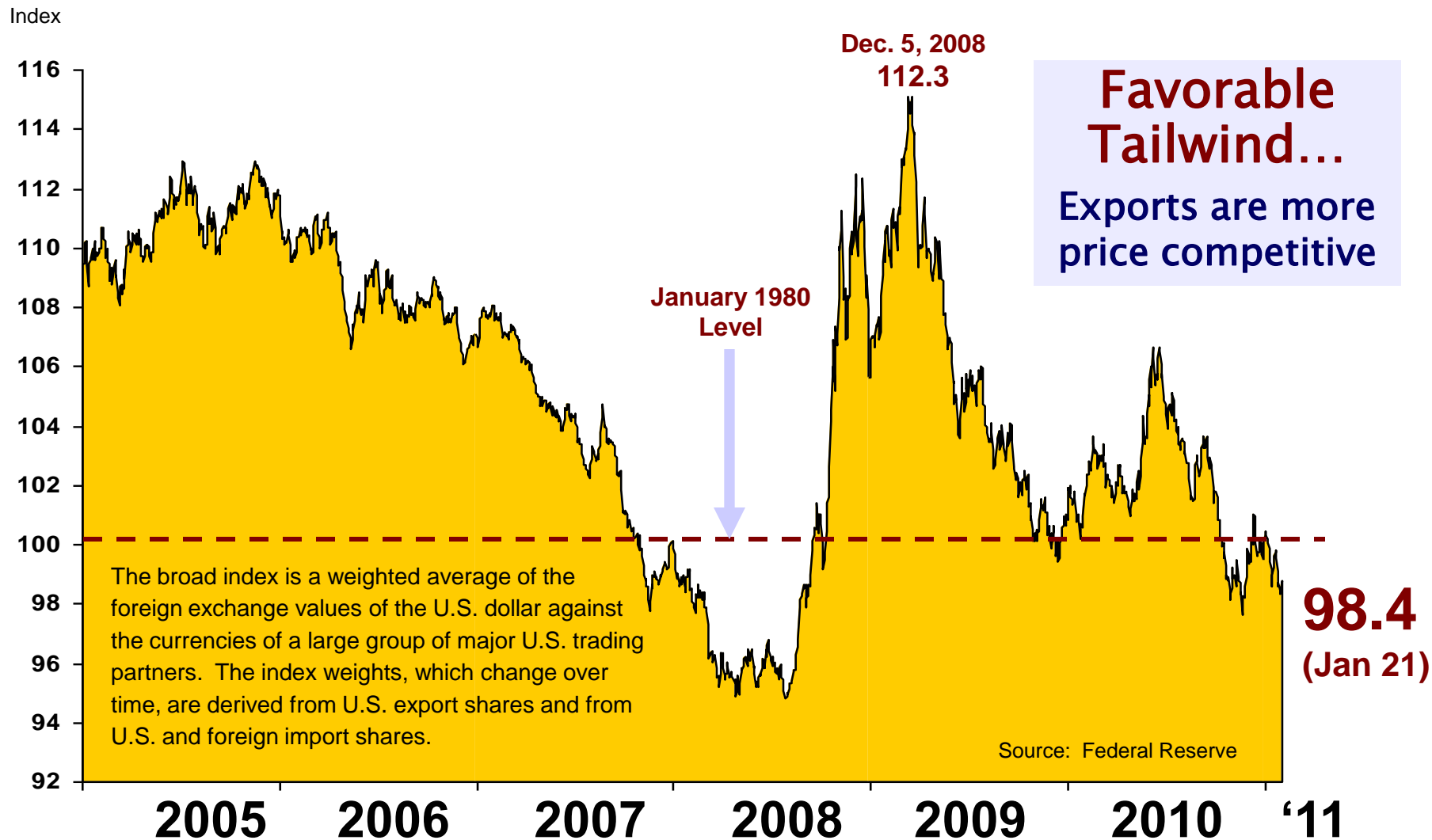
Share of U.S. Exports by Destination

	<u>Sept YTD 2000</u>	<u>Sept YTD 2010</u>	<u>Percentage Point Change</u>
China	2.0%	6.8%	4.8
Central & South America	7.5%	10.9%	3.4
Asia & Pacific Ex. Japan & China	15.7%	16.8%	1.1
All Other	7.7%	9.3%	1.5
Mexico	14.3%	12.7%	(1.6)
European Union	21.3%	18.8%	(2.5)
Canada	23.2%	19.9%	(3.3)
Japan	8.3%	4.8%	(3.5)

Source: U.S. Census Bureau

Depreciating U.S. Dollar + Sustained Global Economic Growth Will Boost Export Sales

Example: U.S. "Broad Dollar" Index



China: A Special Case

U.S. Exports to China vs. USD–Yuan Exchange Rate

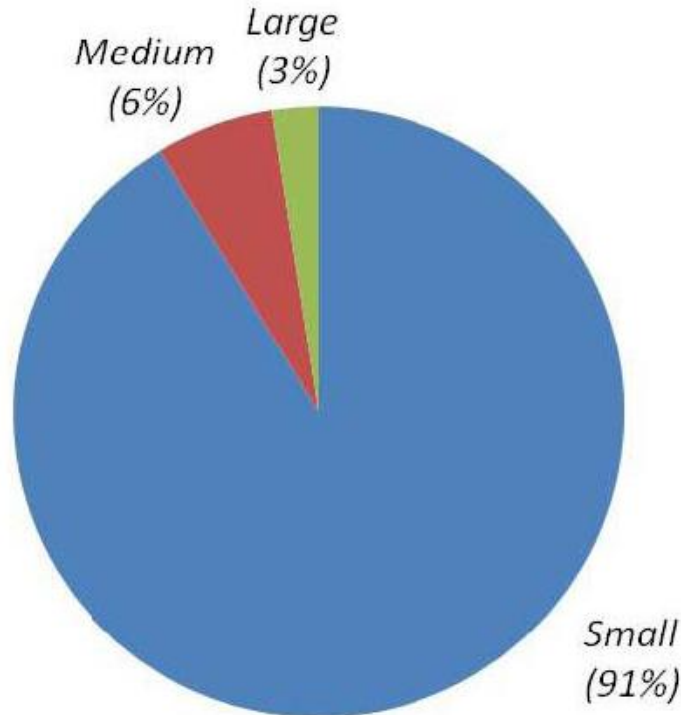


New York State Export Facts

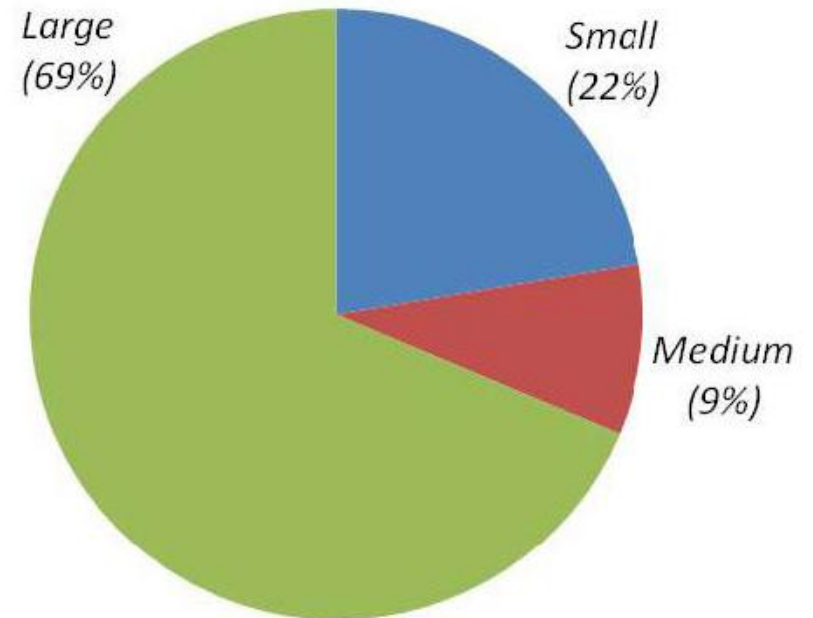
- 27,329 companies exported goods from New York locations in 2007, ranking third among the 50 states
- 94% of New York exporters (25,000+ firms) were small and medium-sized enterprises (SMEs), with fewer than 500 employees
- SMEs generated more than half (55%) of New York's total merchandise exports in 2007
- This was the third highest percentage among all states and well above the national average of 30%
- Among the top 50 U.S. metro areas (by 2008 exports), Buffalo ranks 20th in exports as a percent of GDP

Share of U.S. Exports by Company Size

Number of Exporters, 2008



Value of Exports, 2008



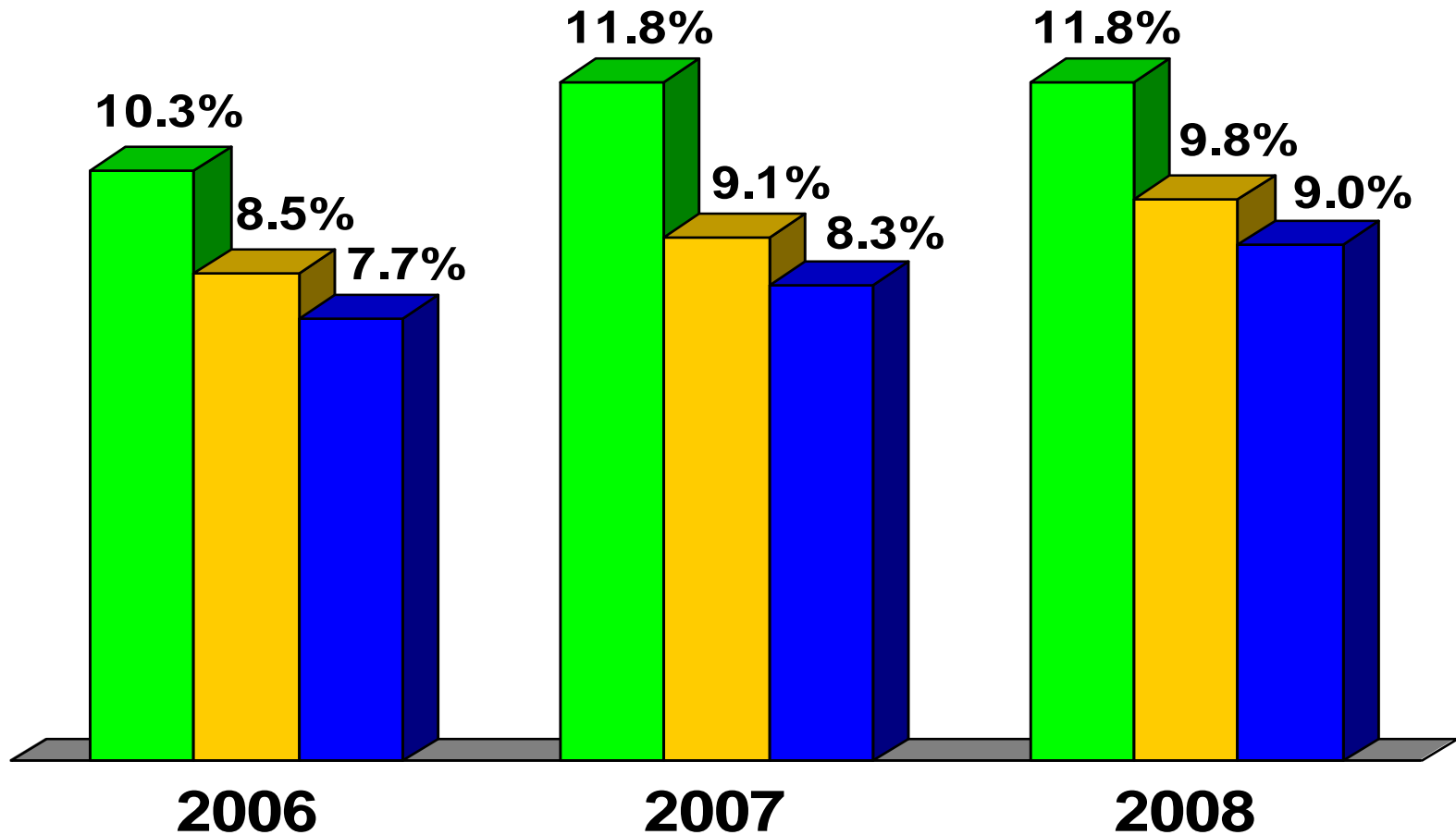
Prepared by the Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce.

The information contained herein should not be construed as advocating or reflecting any policy position of the U.S. Department of Commerce or the International Trade Administration.

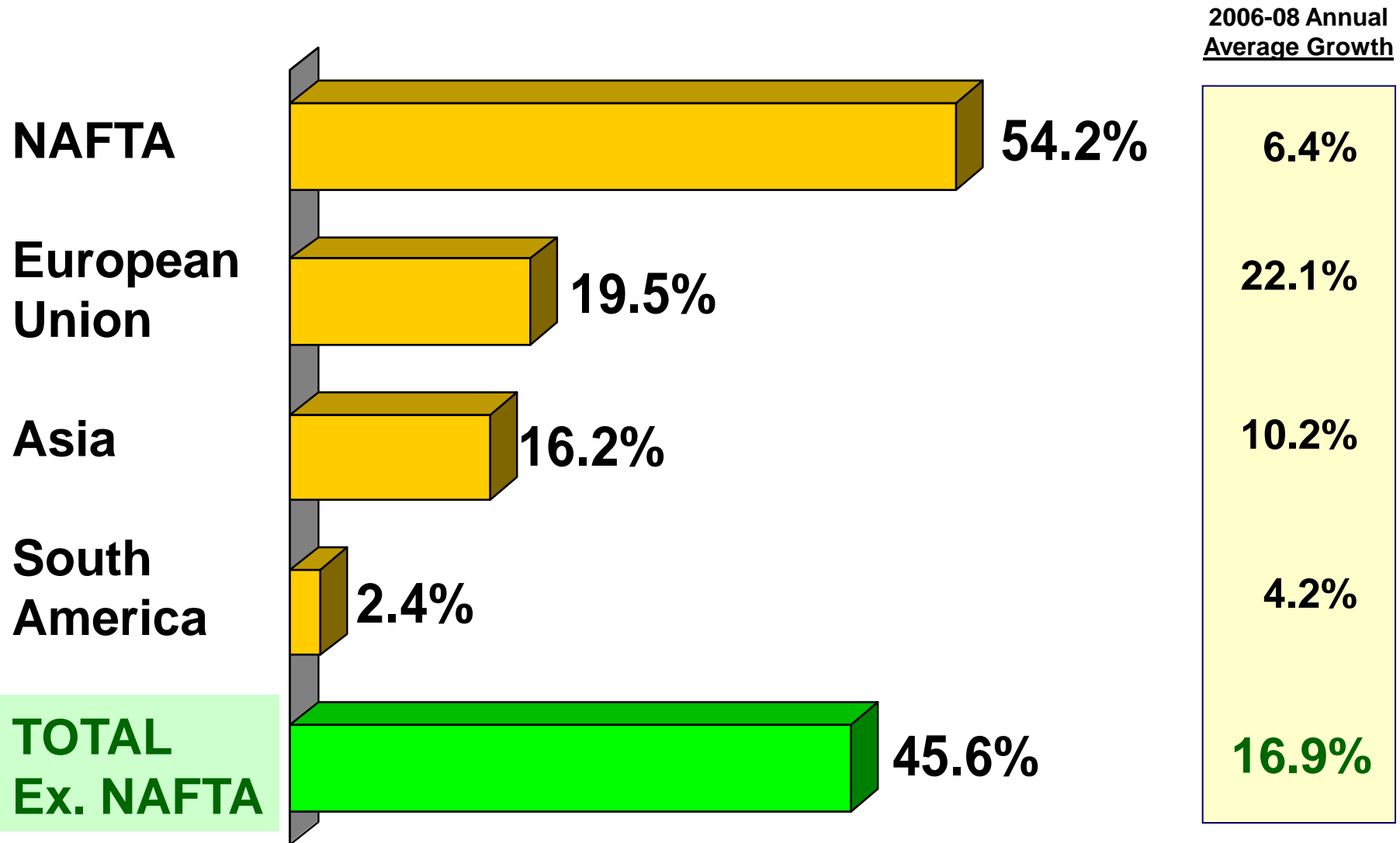
Exports as Percent of GDP

Buffalo Metro Area vs. United States

 Buffalo-Niagara Falls  Top 50 Export Metros  United States



Share of Buffalo Area Exports by Destination -- 2008

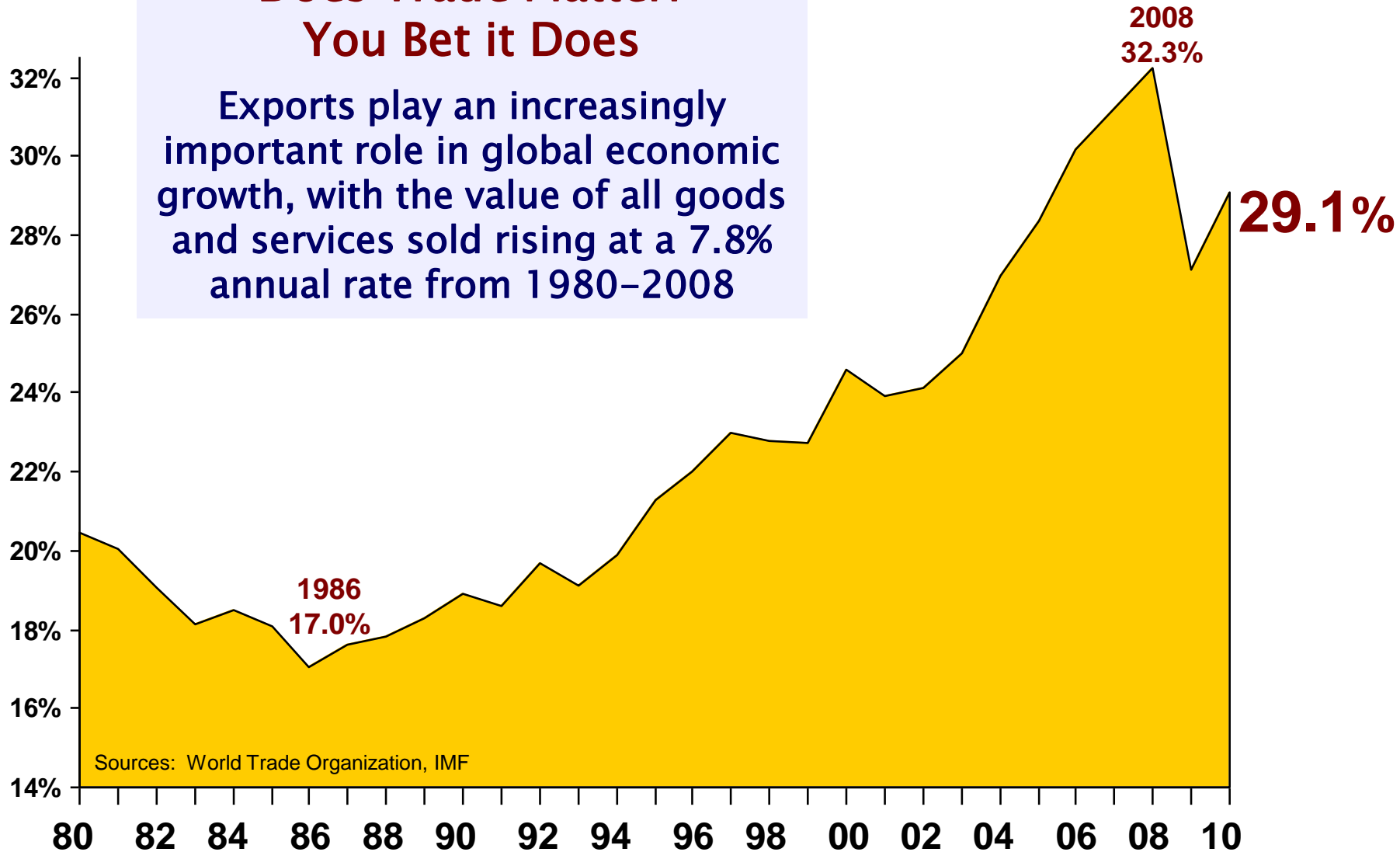


Source: U.S. Census Bureau

Exports as a Percent of World GDP

Does Trade Matter? You Bet it Does

Exports play an increasingly important role in global economic growth, with the value of all goods and services sold rising at a 7.8% annual rate from 1980–2008



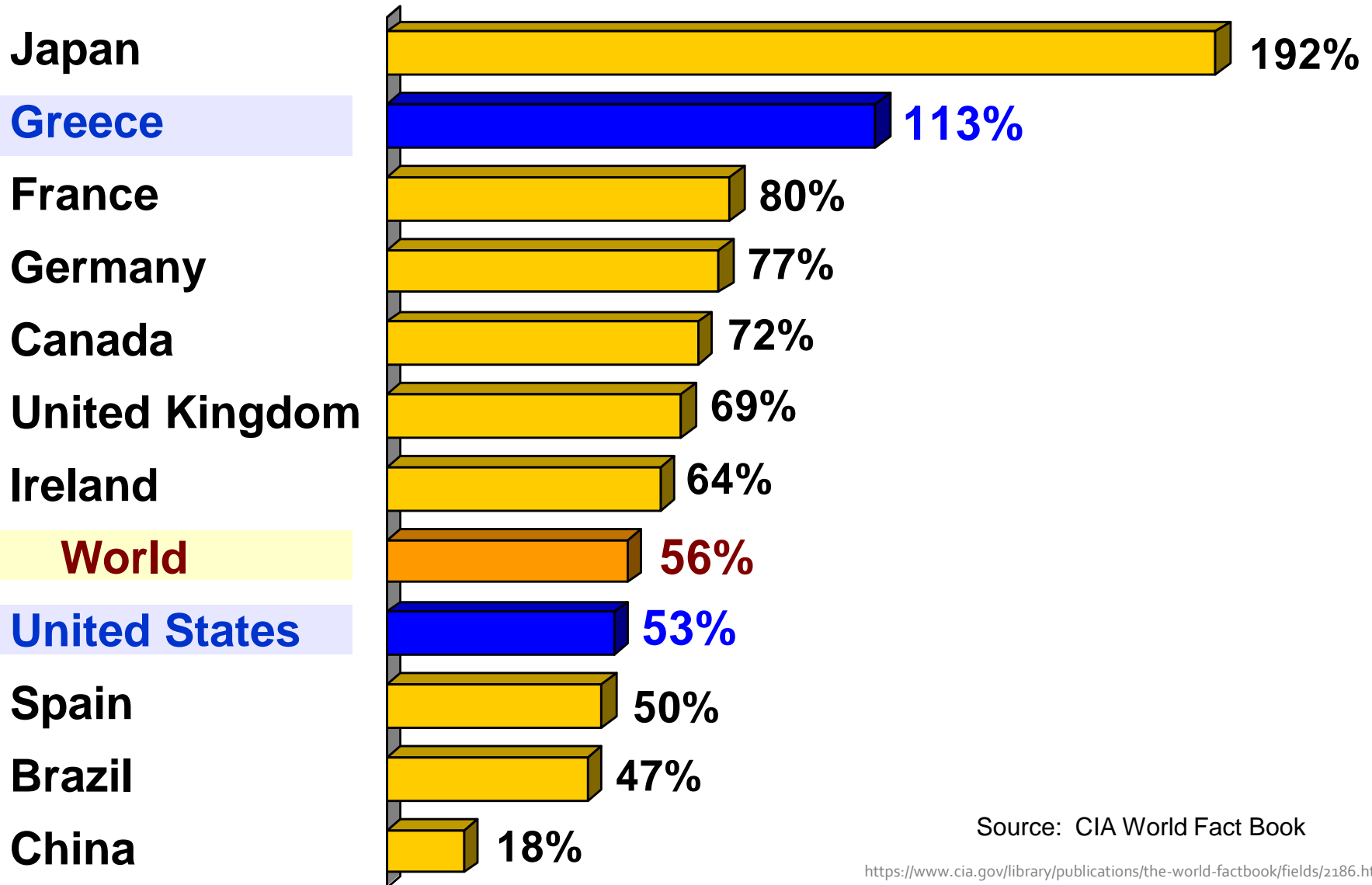
Questions?

gkeith@mtb.com



Percent of GDP

Gross Sovereign Debt Held by Public – 2009

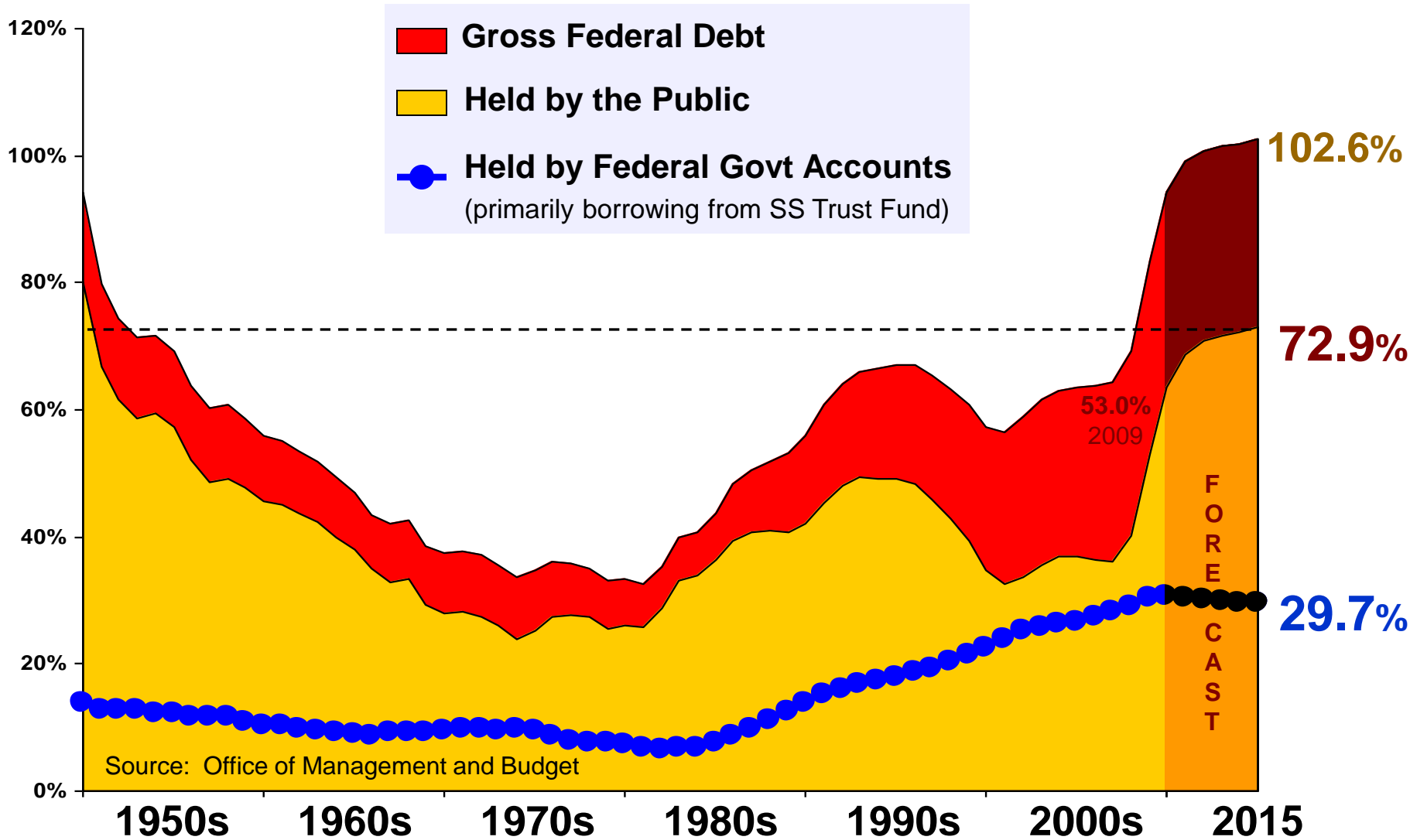


Source: CIA World Fact Book

<https://www.cia.gov/library/publications/the-world-factbook/fields/2186.html>

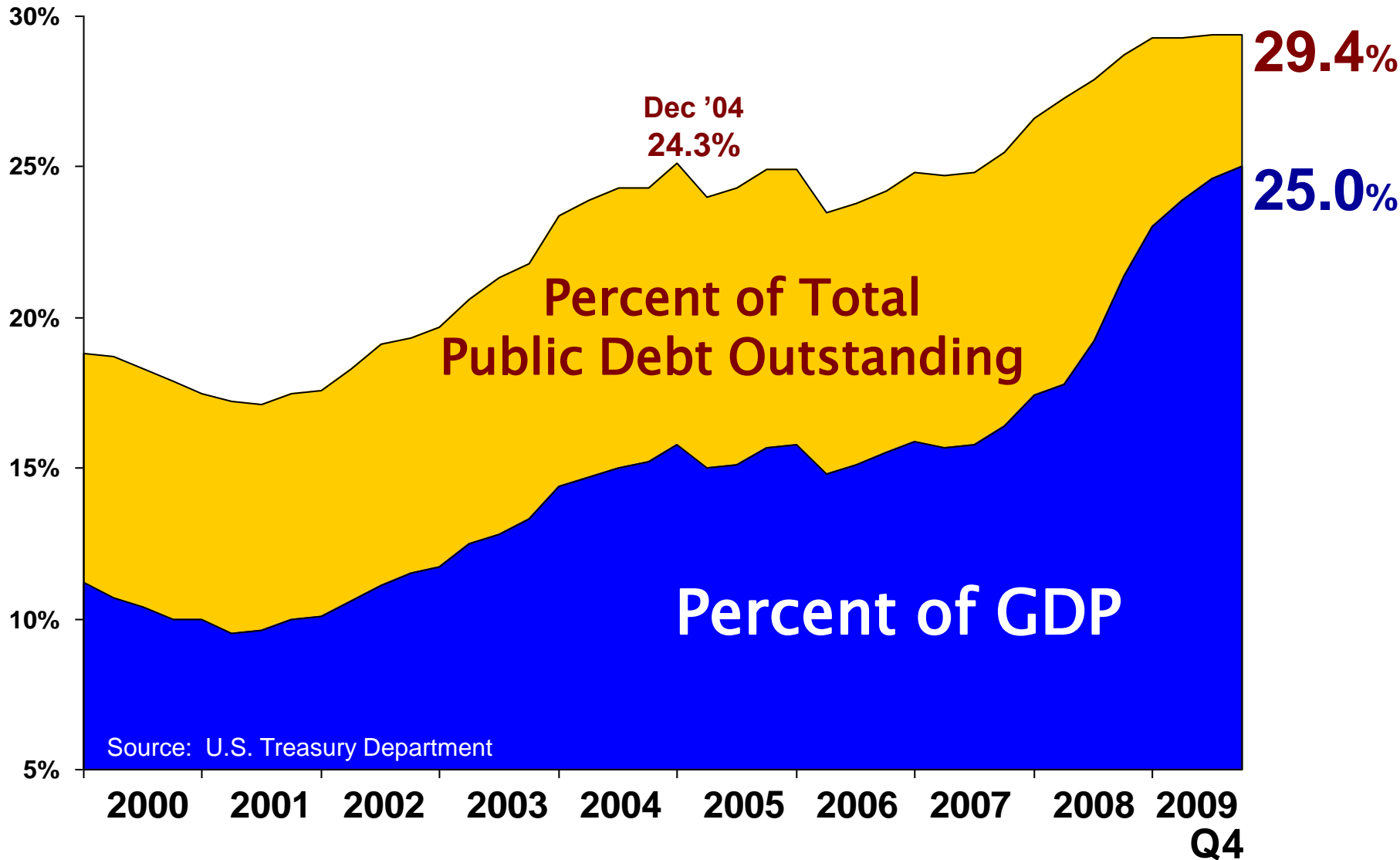
Percent of GDP

Gross U.S. Federal Government Debt



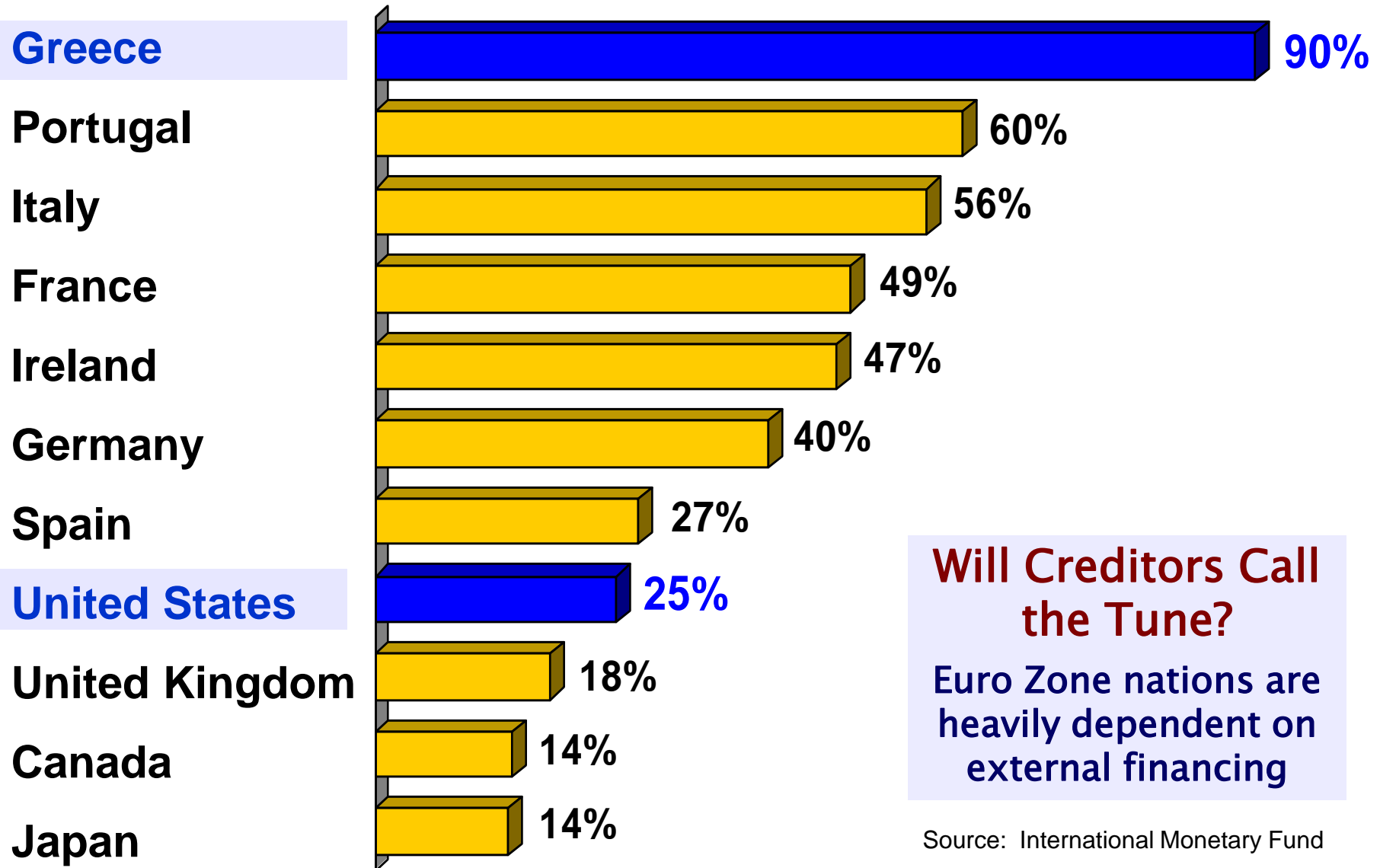
Percent of Public Debt / GDP

U.S. Sovereign Debt Held by Foreign Creditors



Percent of GDP

Sovereign Debt Held by Foreign Creditors – 2009



Will Creditors Call the Tune?

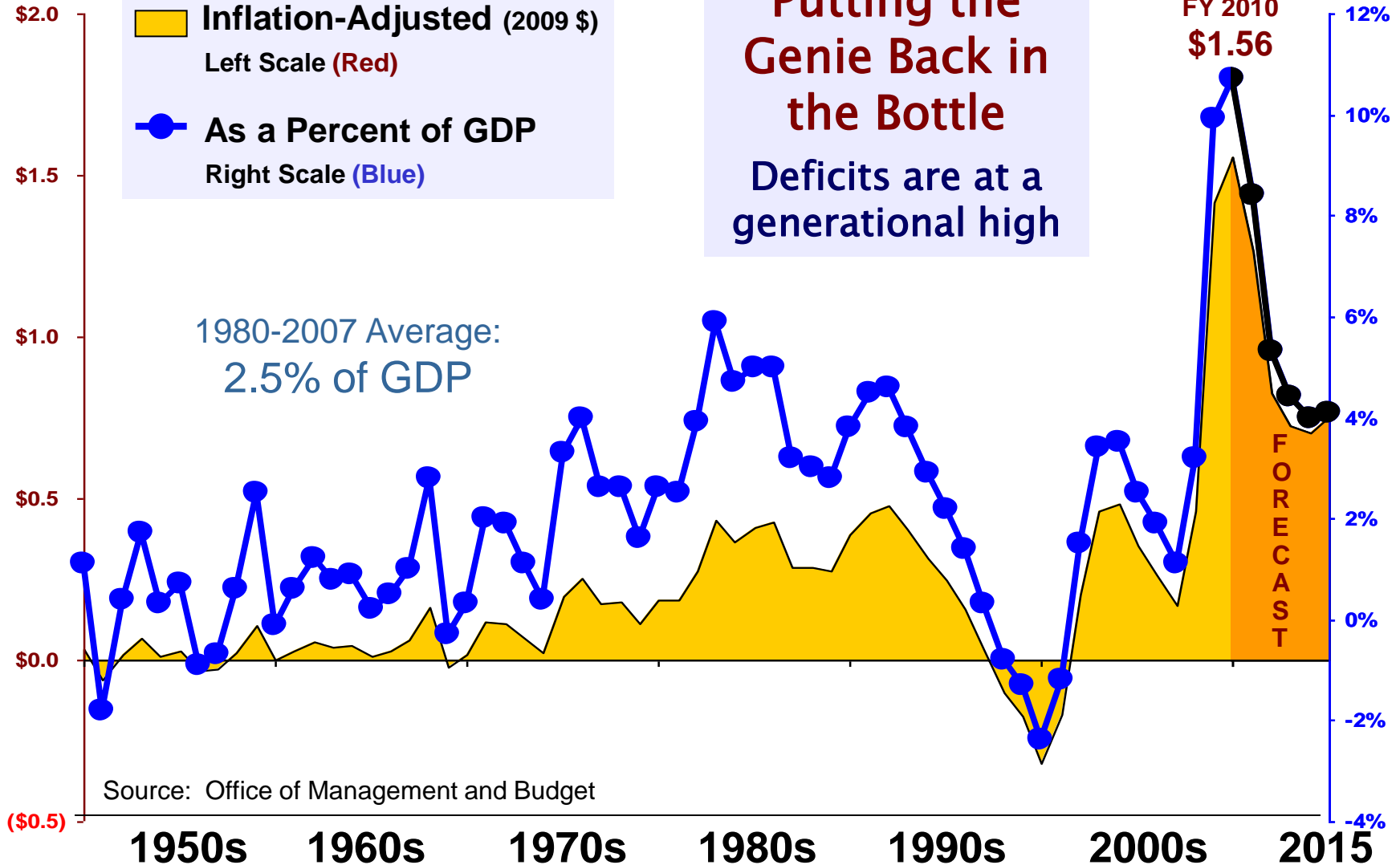
Euro Zone nations are heavily dependent on external financing

Source: International Monetary Fund

U.S. Federal Government Deficit

Trillions of
Constant
2009 \$

Percent
Of GDP



Percent of GDP

U.S. Federal Non-Defense Expenditures

- Total Non-Defense Spending
- Total Excluding Social Security & Medicare

