



THE MIDWEST
The Premier Place to do Business

Doing Business in the Midwest

The Midwest is particularly attractive to foreign direct investment because of its large consumer market; centrally located transportation network to distribute products nationally and internationally; and highly skilled workforce.





The Midwest-China Association, Inc. (MWCA)

is a not-for-profit, non-partisan organization that fosters commerce between the Midwestern United States and China.

MWCA invites states, community and business development groups, academic institutions, businesses and individuals interested in developing China's economic opportunity for the Midwest to join.



71 South Wacker Drive, Suite 2760 | Chicago, Illinois, 60606 | USA | (P) 773 909 2168 | (F) 773 281 4812
Inquiries: info@midwestuschina.org website: <http://www.midwestuschina.org>

Welcome to the Midwest

United States, Midwest



- | | |
|-----------------|--------------|
| 1. North Dakota | 7. Missouri |
| 2. South Dakota | 8. Wisconsin |
| 3. Nebraska | 9. Illinois |
| 4. Kansas | 10. Michigan |
| 5. Minnesota | 11. Indiana |
| 6. Iowa | 12. Ohio |



About the Midwest

Population

65,963,450 (22.46 percent of the total U.S. population lives in the Midwest)

8 metropolitan areas with populations of more than 2 million

Workforce

34,774,300 (23 percent of total U.S. workforce lives in the Midwest)

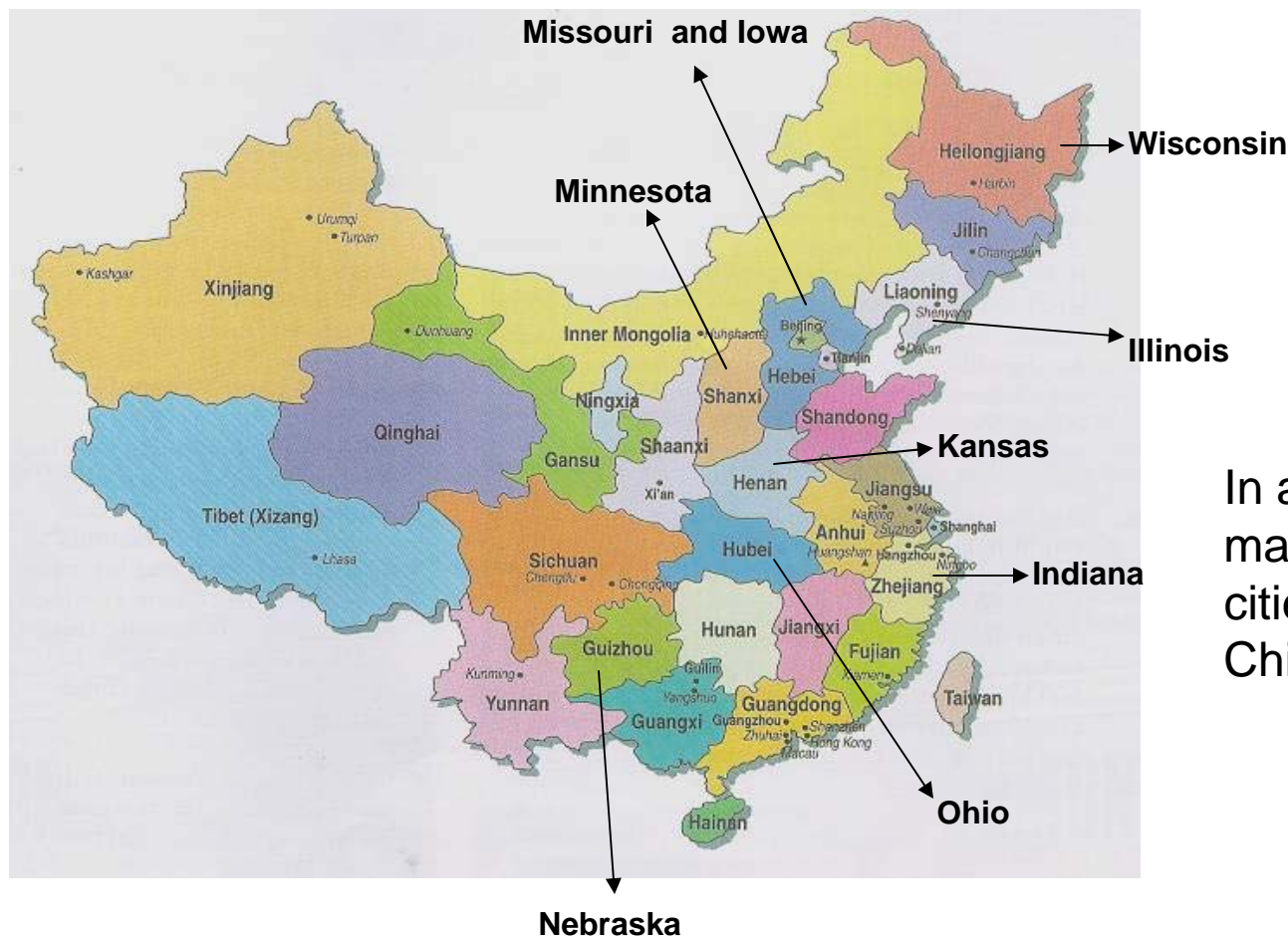
Total Gross Domestic Product (GDP) for the Midwest

If the Midwest were a country, it would be the 5th largest economy based on GDP

(between India and Germany)

Midwest GDP equals 20 percent of the entire U.S. GDP - \$2.6 trillion

Many Existing Relationships

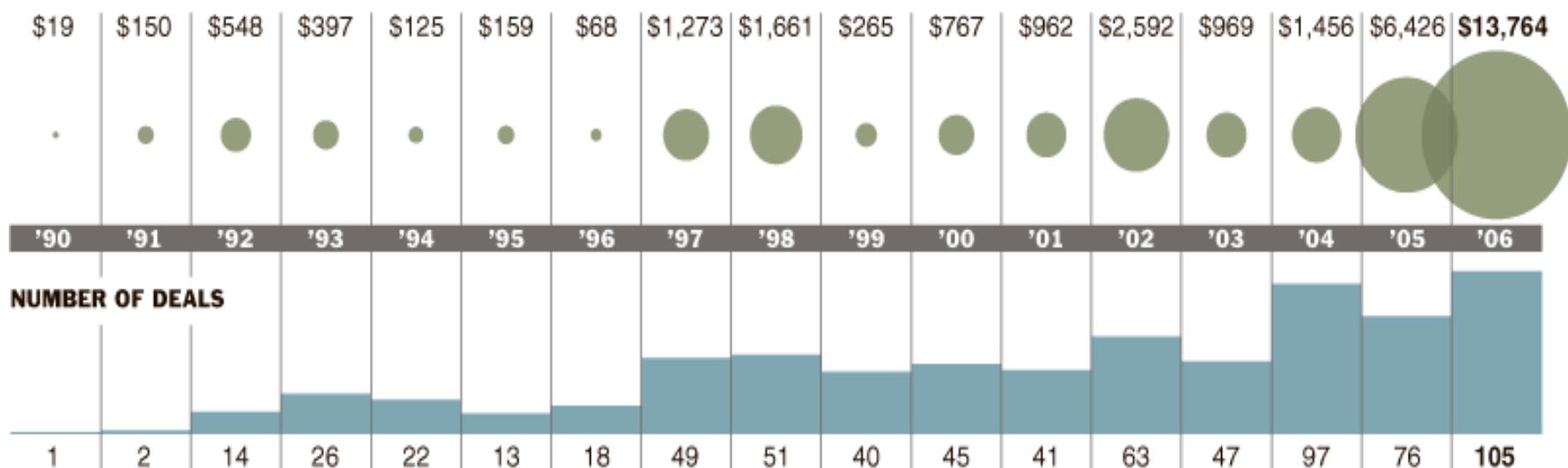


In addition, there are many Midwest U.S. cities that have Chinese Sister cities

Welcome to the Midwest

CHINESE ACQUISITIONS OUTSIDE OF CHINA (EXCLUDING HONG KONG)

IN MILLIONS



Source: Thomson Financial

The New York Times

Why the Midwest is a Good Business Partner

Transportation

The Midwest has

- 256,000 kilometers of roadways
- 160 passenger rail hubs
- 273 freight stations
- 33 international airports

Top Education, Research and Health Care Organizations

- 481 public and private colleges and universities
- Three of the 10 national science laboratories
- Five of the nation's top 17 hospitals
- Eight of the nineteen U.S. Confucius Institutes

Why the Midwest is a Good Business Partner

Financial Institutions

- 5 of the 12 Federal Reserve Banks of the U.S. are located in cities in the Midwest (The Federal Reserve Bank is the central bank of the U.S.)
- The Midwest is home to the world's largest and most diverse financial exchange and oldest futures and options exchange which is a leader in global derivatives

Agriculture

35.5 percent of all U.S. agriculture activity occurs in the Midwest

Industry

Approximately 30 percent of U.S. Fortune 500 companies are located in the Midwest because of the extraordinary resources available throughout the region

Why the Midwest is a Good Business Partner: **Transportation**

Why the Midwest is a Good Business Partner: *Transportation*

The infrastructure of the Midwest and its centralized location allows for easy movement of goods and people throughout the United States and the world.

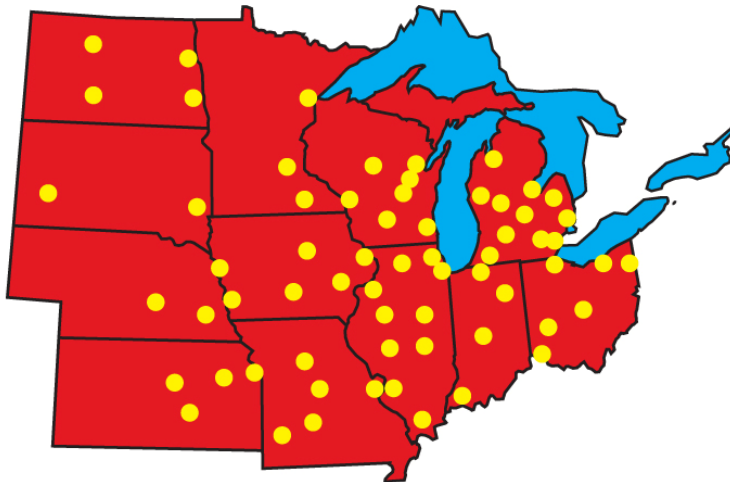


Why the Midwest is a Good Business Partner: *Transportation*

The Midwest has 33 international airports and 60 mid- to large-size airports serving the U.S.

Flights from Chicago's O'Hare International Airport:

- 3 daily non-stop flights to Mainland China
- 2 daily non-stop flights to Hong Kong



MAP OF AIRPORTS IN THE MIDWEST

FLIGHT TIMES FROM THE MIDWEST:

Chicago to New York: 2 hours 30 minutes

Chicago to Los Angeles: 4 hours 10 minutes

Chicago to London: 7 hours 30 minutes

Chicago to Shanghai: 13 hours 30 minutes

Why the Midwest is a Good Business Partner: *Transportation*

160 passenger rail hubs in the Midwest, connecting to major transportation centers throughout the U.S.

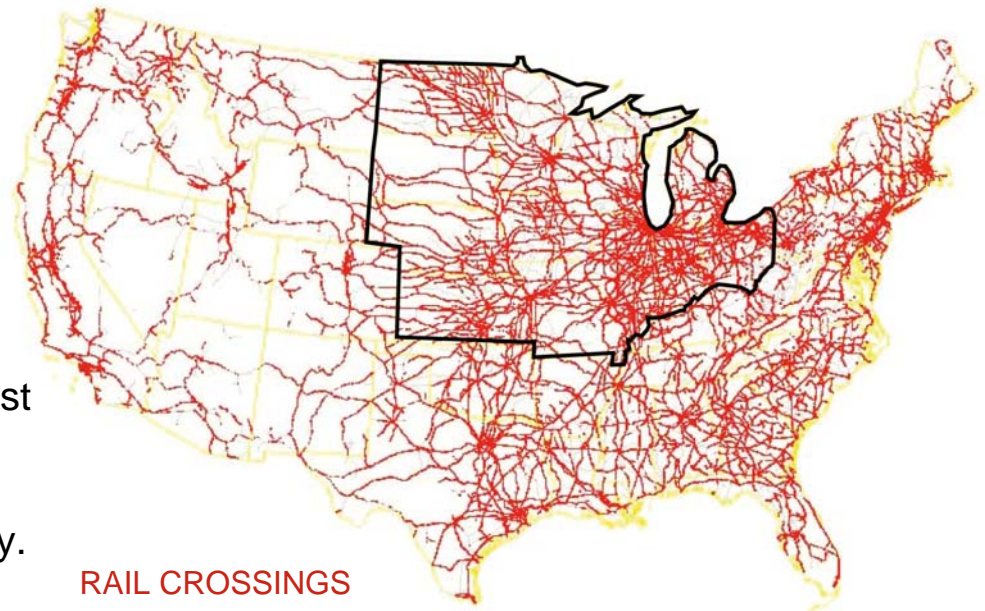
273 freight stations located in the Midwest

3.472 billion tons of goods are transported on more than 17,5846 kilometers of railway throughout the Midwest

Chicago is the world's 3rd busiest Intermodal transportation hub (behind only Hong Kong and Singapore)

The Midwest has 3 of the 5 largest intermodal hubs in the U.S.

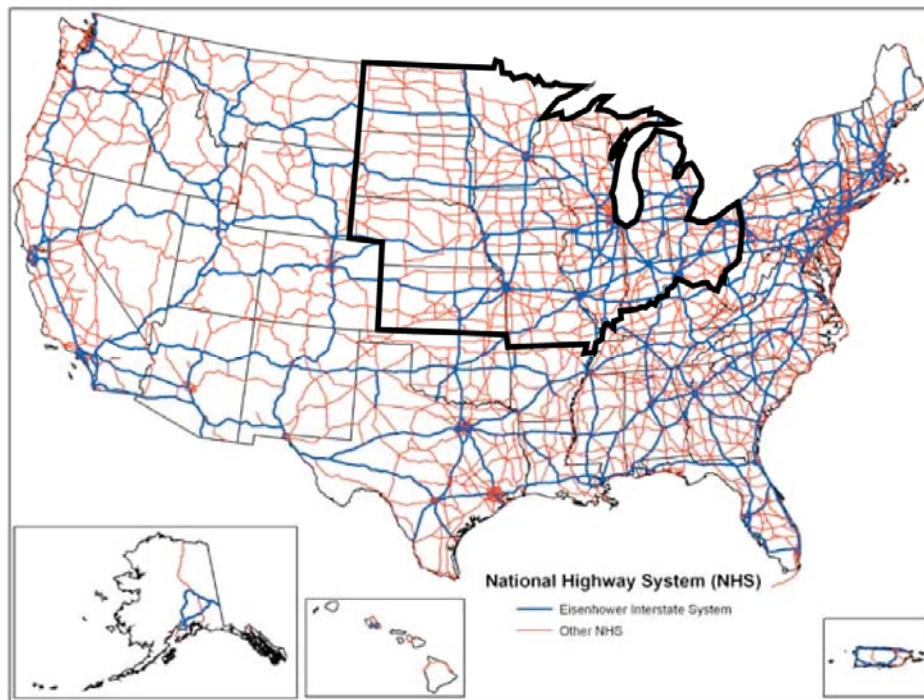
- Chicago-Cook is the nation's busiest rail hub served by 21 intermodal facilities, 21 container depots and handling 8.8 million containers daily.
- Kansas City and St. Louis are ranked #2 and #4.



Why the Midwest is a Good Business Partner: *Transportation*

The Midwest has a highly developed interstate highway system connecting the region with the rest of the United States

256,000 kilometers of highway run through the Midwest



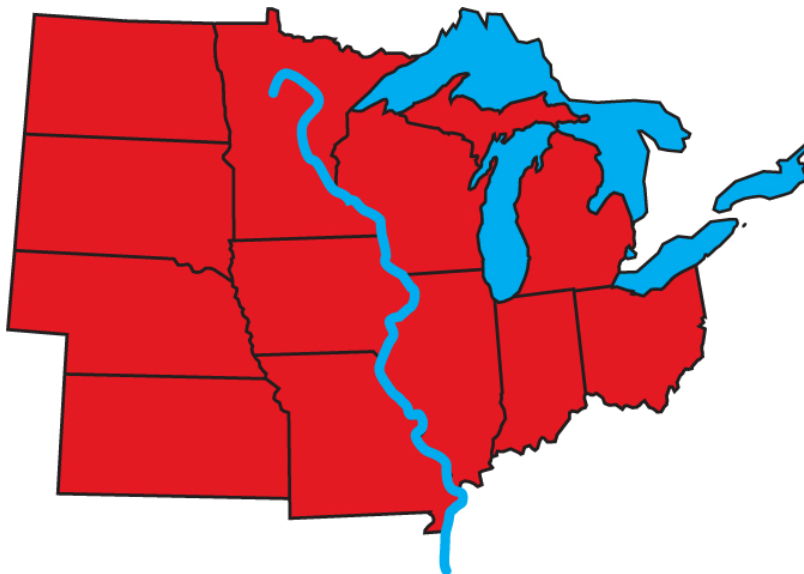
Within a two-day drive from the Midwest, you can arrive anywhere in the U.S. and also many cities in Canada, including Toronto, Montreal, Edmonton, Calgary, Winnipeg and Vancouver

Why the Midwest is a Good Business Partner: *Transportation*

The Midwest has many water transportation networks, including the Great Lakes, the St. Lawrence Seaway and the Mississippi River. The area has 1/5 of the World's fresh water.

The Great Lakes/St. Lawrence Seaway stretches 2,300 miles and links the American heartland to markets throughout the world. Total annual shipping on the Great Lakes averages more than 180 million tons.

The Great Lakes and St. Lawrence Seaway generates \$5 billion annually in income and directly supports 67,000 jobs.



Lake Michigan is 37.5 percent larger than Switzerland

The Mississippi River is the 4th longest river and has the third largest drainage basin in the world

Why the Midwest is a Good Business Partner: **Education and Research**

Why the Midwest is a Good Business Partner: *Education and Research*

Education has always been the driving force for research, innovation and development in the United States. Many of the nation's leading institutions are located in the Midwest.



Why the Midwest is a Good Business Partner: Education and Research

The Midwest is home to 481 public and private colleges and universities

The National Office for Teaching Chinese as a Foreign Language announced nineteen locations for Confucius Institutes in the U.S. and 8 are in the Midwest

84.2 percent of the Midwest's population who are 25 years or older hold a high school diploma or higher



Why the Midwest is a Good Business Partner: *Education and Research*

Three of the top 10 national science laboratories are located in the Midwest:

- Fermi National Accelerator Laboratory
- Ames Laboratory
- Argonne National Laboratories

The Midwest's Big 10 Universities have nationally recognized and funded technology and biotechnology research programs

The Midwest is home to:

- 8 of the top 50 universities in the world
- 38 of the top 100 engineering and hard science universities in the world
- 8 of the top 30 U.S. MBA programs
- 8 of the top 50 MBA programs in the world
- 8 of the top 25 U.S. law schools
- 9 of the top 30 medical schools

Why the Midwest is a Good Business Partner: *Education and Research*

The Midwest is home to 8 of the nineteen U.S. Confucius Institutes including:

Chicago Public Schools (Illinois)



Purdue University (Indiana)



University of Iowa (Iowa)

University of Kansas (Kansas)



Michigan State University (Michigan)

Webster University (Missouri)

Indiana University-Purdue

University Indianapolis (Indiana)



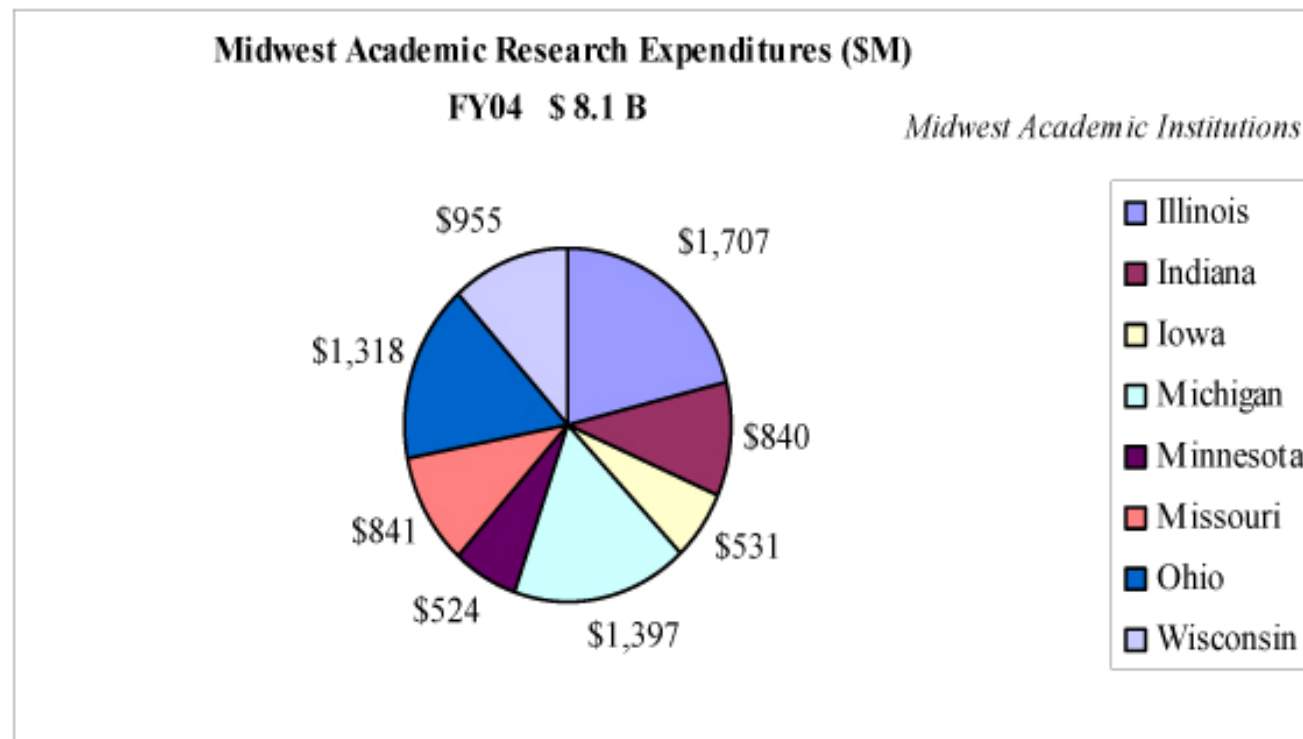
MIAMI
UNIVERSITY

Miami University (Ohio)



Why the Midwest is a Good Business Partner: *Education and Research*

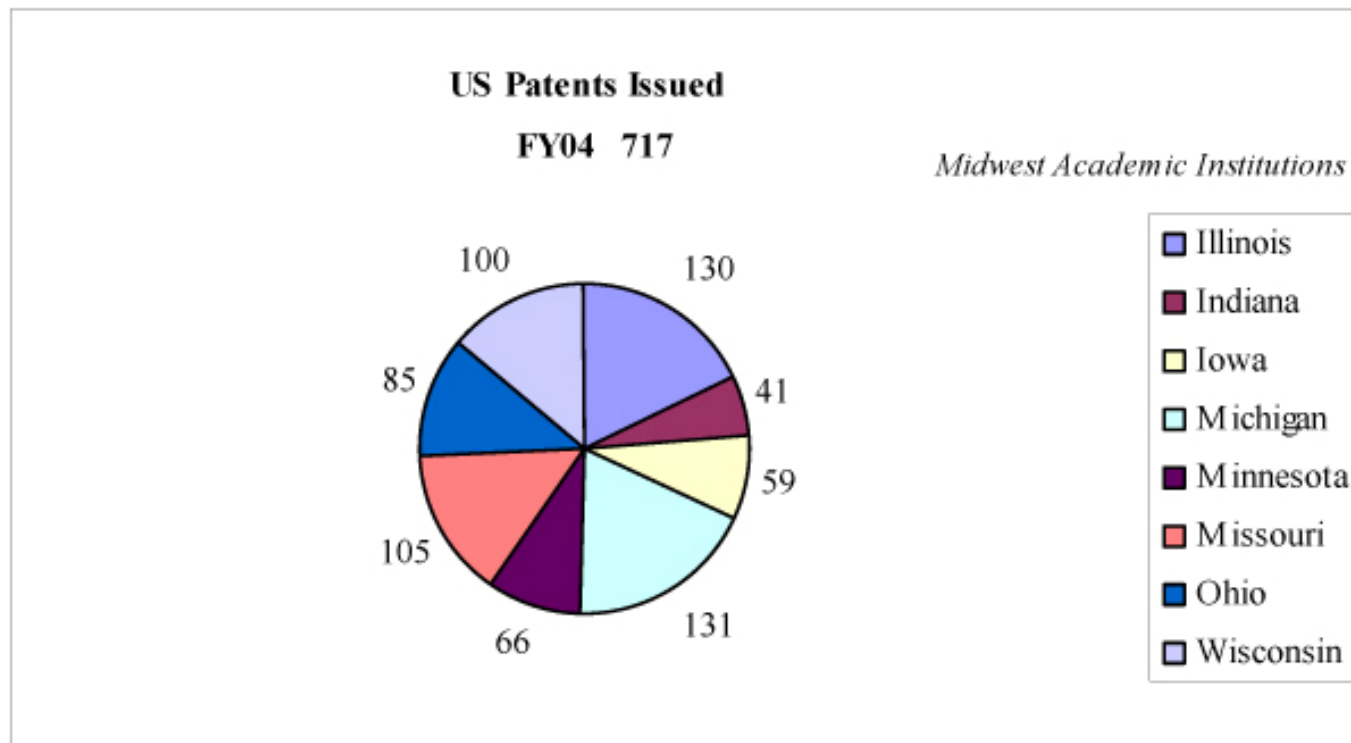
19 percent of total U.S. research expenditures is generated in the Midwest



National Science Foundation, R&D Expenditures 2004

Why the Midwest is a Good Business Partner: *Education and Research*

20 percent of total 3,667 U.S. patents applied for by institutions were issued to Midwest academic institutions.



AUTM US Licensing Survey: FY 2004



Why the Midwest is a Good Business Partner: *Education and Research*

Turning University Research into Commercial Ventures

Federal and state policy encourages and mandates that technology from research laboratories be commercialized.

The Midwest is a recognized leader in its ability to commercialize research discoveries into new products and services.

Why the Midwest is a Good Business Partner: *Education and Research*

Turning University Research into Commercial Ventures - WARF

Wisconsin Alumni Research Foundation (WARF) supports research, transfers technology and ensures that the inventions and discoveries of the University of Wisconsin-Madison benefit humankind.

- Patents the discoveries of UW-Madison researchers and licenses these technologies to leading companies in Wisconsin, the United States and worldwide.
- Has completed over 160 license agreements with Wisconsin companies.
- Holds equity in 35 UW-Madison spin-off companies.

Why the Midwest is a Good Business Partner: *Education and Research*

Available WARF Technologies:

Agriculture (176)
Biomedical Engineering (53)
Chemical (56)
Civil Engineering (6)
Computer Technology (97)
Diagnostic Assays (49)
Drug Discovery (197)
Education (8)
Electrical Engineering (114)
Environmental (76)
Food & Dairy (57)

Health (25)
Materials (92)
Mechanical Engineering (36)
Medical Imaging & Radiation Therapy
(132)
Micro & Nanotech (60)
Pharmaceuticals (314)
Photonics (58)
Plasma Processing (27)
Research Tools (285)
Veterinary (25)

Why the Midwest is a Good Business Partner: *Education and Research*

Danforth Plant Science Center

Danforth Center Alliance



- Develops knowledge that leads to plants that protect themselves from insects and diseases or produce their own fertilizers
- Investigates how plants utilize water and soil nutrients and how this knowledge may lead to crops that require less irrigation or can tolerate contaminated soils
- Develops crops that require fewer applications of agricultural chemicals which will protect water quality and preserve other natural resources
- Develops plants that can grow on marginal land

Why the Midwest is a Good Business Partner: *Education and Research*

Turning University Research into Commercial Ventures: Ardesta

- Serves as the bridge between the universities/research laboratories involved in cutting edge basic research and the customers searching for product solutions
- Works closely with researchers at The University of Michigan to commercialize research
- Focuses on commercializing small technology - nanotechnology, microtechnology and MEMS technology
- Midwest companies attracted over \$90 million in venture capital and created over 100 high-paying professional jobs.



Why the Midwest is a Good Business Partner: *Education and Research*

Many colleges and universities in the Midwest have well-established exchange programs with China.

Top colleges and universities located in the Midwest include:



Northwestern



Notre Dame



U. of Missouri



U. of North Dakota



Kansas University



Indiana University



U. of Minnesota



U. of Iowa



ILLINOIS INSTITUTE OF TECHNOLOGY



Why the Midwest is a Good Business Partner: *State-of-the-Art Health Care Facilities*

Five of the nation's top hospitals are located in the Midwest

- Mayo Clinic (Rochester, Minnesota)
- Cleveland Clinic (Cleveland, Ohio)
- Barnes-Jewish Hospital/Washington University (St. Louis, Missouri)
- University of Michigan Hospitals and Health Centers (Ann Arbor, Michigan)
- University of Chicago Medical Centers (Chicago, Illinois)



Why the Midwest is a Good Business Partner: **Financial Centers and Institutions**

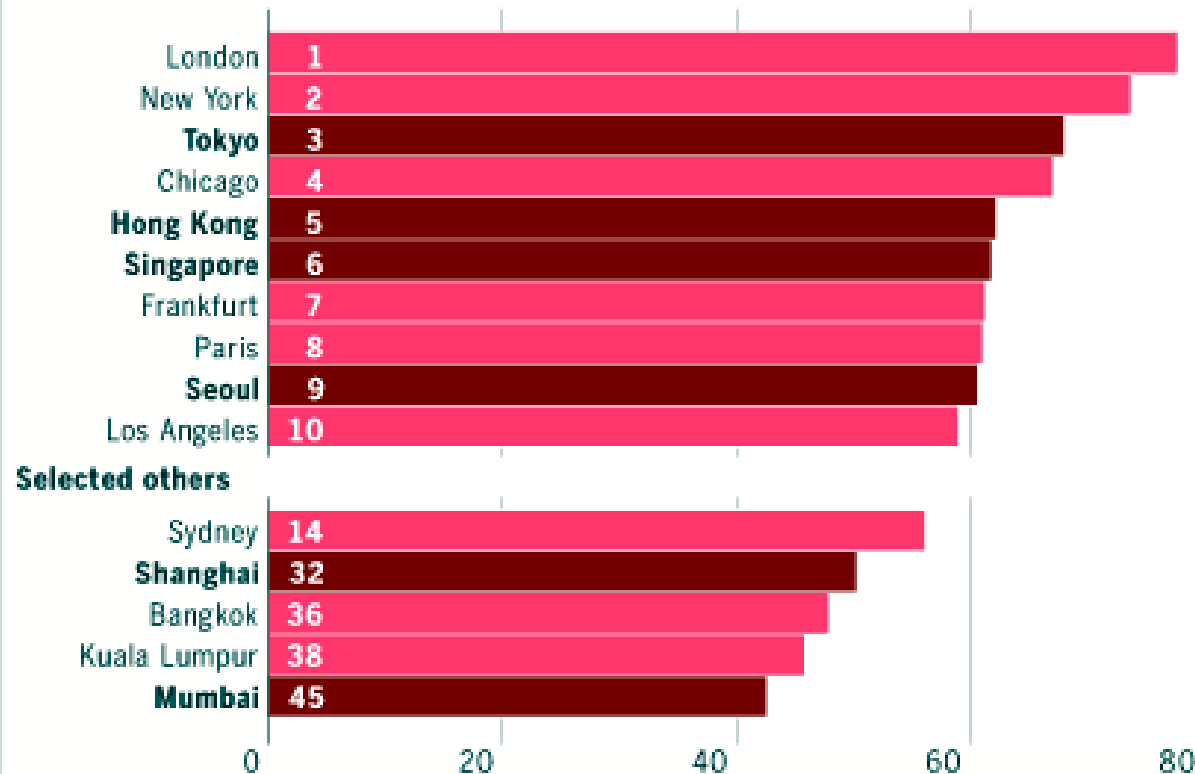
Why the Midwest is a Good Business Partner:

Financial Center

Worldwide centres of commerce*

Index value (based on Mastercard survey Q2 2007)

Rankings out of 50 shown in bars



* Assessed in terms of: legal and political framework; economic stability; ease of doing business; financial flow; business centre characteristics; knowledge creation and information flow

Source: Mastercard

Chicago is ranked

#4 in the world as
a Center of Commerce
(ahead of Hong Kong)

Chicago is also ranked

the **#1** Top Trading
City in the world by
"Trader Monthly"
magazine

Why the Midwest is a Good Business Partner: *Financial Institutions*

In July 2007 Chicago became home to the largest market in the world for commodities and financial instruments when the Chicago Mercantile Exchange and Chicago Board of Trade merged.

Together the exchanges have a capital market value of about \$30 billion

- Chicago Mercantile Exchange: 1.403 billion contracts traded in 2006, which is valued at \$827 trillion
- Chicago Board of Trade surpassed 805 million contracts in 2006, the highest yearly total in history

CME/CBOT have been very active in assisting China in the establishment of its financial futures markets.



Why the Midwest is a Good Business Partner: **Agriculture**

Why the Midwest is a Good Business Partner: *Agriculture*

35.5 percent of all U.S. agriculture activity occurs in the Midwest

More than \$26 billion in agricultural products are exported from the Midwest annually



Why the Midwest is a Good Business Partner: *Agriculture*

78 percent of the world's export of feed grains and soybeans is generated in the Midwest

U.S. soybean shipments to China had a value of \$2.3 billion in 2005

- China has become the largest, single-country importer of U.S. soybeans

The Midwest is the United States' leading producer of the following agriculture products:

- Beef
- Corn
- Dairy products
- Pork
- Poultry
- Soybeans
- Wheat



Why the Midwest is a Good Business Partner: *Agriculture*

The Midwest Advantage

➤ Value-Added Products

The enormous size of its agricultural sector makes the Midwest a center for agricultural-based, value-added products including:

- Bio-diesel - a renewable fuel that can be manufactured from vegetable oils and animal fats
- Ethanol - an alcohol-based alternative fuel from feedstocks, including corn, barley and wheat

➤ Life Sciences/Biotechnology

- Improved food crops, such as corn, cassava and soybeans, that enhance human health and protect the environment
- Production of plants that can serve as a source of new pharmaceuticals
- Production of plants that can be used in environmental remediation

Why the Midwest is a Good Business Partner:

Agriculture - Missouri State University in China

- Beijing Province
 - China Agricultural University (Beijing)
- Liaoning Province
 - Liaoning Normal University (Dalian)
 - Liaoning University of Traditional Chinese Medicine (Shenyang)
- Henan Province
 - Henan Institute of Finance and Economics (Zhengzhou)
- Shandong Province
 - Qingdao University (Qingdao)
- Yunnan Province
 - Yunnan Agricultural University (Kunming)
- Ningxia Province
 - Ningxia Forestry Institute (Yinchuan)



Why the Midwest is a Good Business Partner: **Industry**

Why the Midwest is a Good Business Partner: *Industry*

134 of U.S. Fortune 500 companies are located in the Midwest with combined revenues of \$1,980.6 billion. (The Fortune 500 is a ranking of the top 500 publicly-owned United States corporations as measured by gross revenue)

20 percent of all exported U.S. manufactured goods originate in the Midwest

More than \$177.4 billion worth of manufactured goods were exported from the Midwest in 2005



Why the Midwest is a Good Business Partner: Industry

The Midwest is home to Fortune 500 companies and major privately-held companies, including:

- Allstate Corporation
- Amway Corporation
- Anheuser-Busch Companies
- Archer Daniels Midland Company (ADM)
- Berkshire Hathaway
- Best Buy
- Boeing
- Cargill
- Cummins Inc.
- Dow Chemical
- Ford
- GM
- Hyatt Hotels
- McDonald's
- Monsanto
- Motorola
- Proctor and Gamble
- Target Corporation
- United Airlines
- Wrigley Company

P&G



Amway

MONSANTO
imagine



HYATT
INTERNATIONAL

BERKSHIRE HATHAWAY INC.

UNITED



Cargill



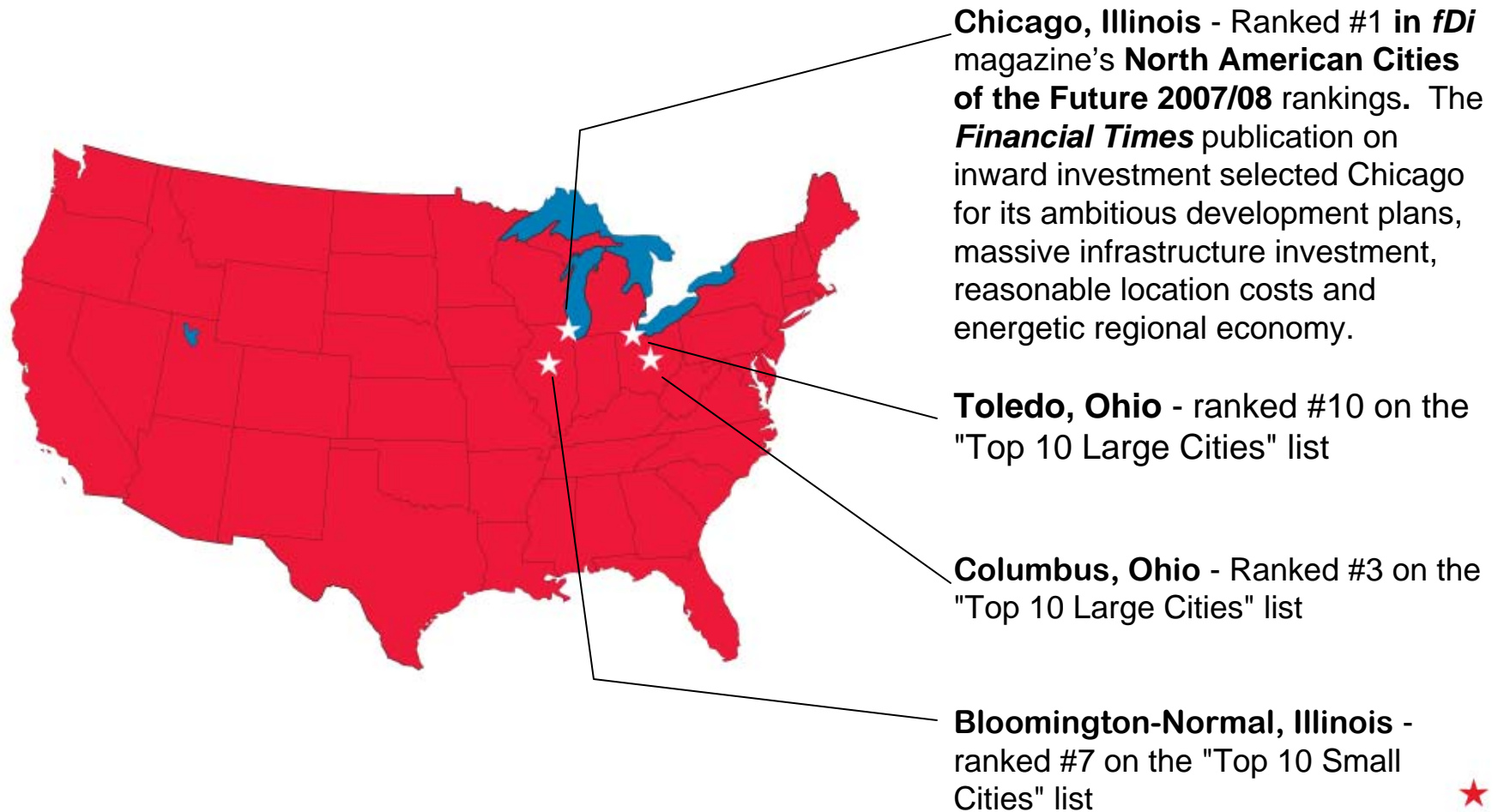
Allstate
You're in good hands.

BOEING



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Why the Midwest is a Good Business Partner: *fDi* Magazine Rankings



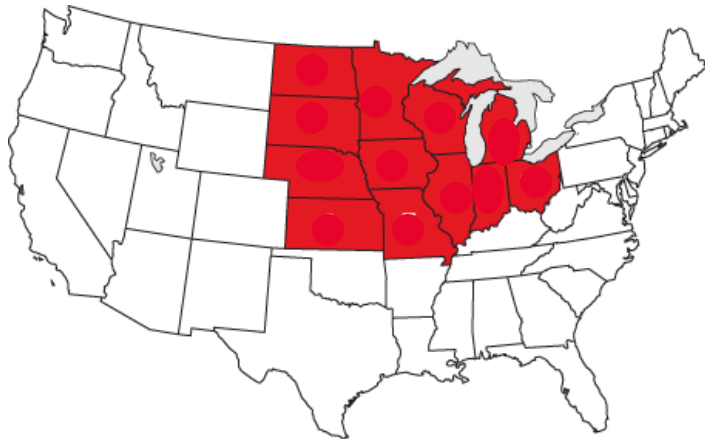
Why the Midwest is a Good Business Partner: Foreign Direct Investment (FDI)

Foreign direct investment (FDI) in the United States

Employment:

Subsidiaries of foreign companies
employ:

- 5.1 million Americans nationwide
- 1.127 million Americans in the
Midwestern states – 22% of the
U.S. total



Total FDI Investment Volume in U.S.:

- \$183.6 billion in 2006
- \$109.8 billion in 2005

Where does FDI originate? In 2006:

- Europe represented 68 percent of all
foreign direct investment.
- The Asia-Pacific countries comprised 13
percent of total foreign direct investment
(primarily Japan and Korea)

Doing Business in the Midwest

The Midwest is particularly attractive to foreign direct investment because of its large consumer market; centrally located transportation network to distribute products nationally and internationally; and highly skilled workforce.



Doing Business in the Midwest: *Government Resources*

The State governments of the Midwest are welcoming and supportive of new business enterprises and ease the way for investment.

Visit <http://www.midwestuschina.org> for a complete list of Midwest state agencies that provide assistance to individuals, businesses and governments interested in doing business in the Midwest:



The Midwest welcomes its Chinese friends. The Midwest US-China Association is your premier business partner.



Midwest US-China Association Officers:



Chairman: Senator Adlai E. Stevenson
Vice Chairman: Governor Bob Holden
President: John L. Rogers
Vice President: James Xue

Inquiries to: info@midwestuschina.org

MWCA thanks its many supporters and senior advisors, including Walter Mondale (former U.S. Vice President) and William M. Daley (former U.S. Secretary of Commerce).



71 South Wacker Drive, Suite 2760 | Chicago, Illinois, 60606 | USA | (P) 773 909 2168 | (F) 773 281 4812
Inquiries: info@midwestuschina.org <http://www.midwestuschina.org>



MWCA thanks the following organizations and individuals for their assistance in researching and creating this presentation:

Creation and Production:

- Jessica Thunberg, Jasculca/Terman and Associates, Inc. – jessica_thunberg@jtpr.com
- Michael Karter, Jasculca/Terman and Associates, Inc. – michael_karter@jtpr.com
- Pat Stankard, Patricia Stankard Consulting - pat@midwestuschina.org

Research:

- Grant Lo Destro – Illinois State University – galodes@ilstu.edu

Translation:

- Xu Fenglan, Beijing Language and Culture University - fenglanxu@hotmail.com
- Jackie Qin, Fordham University - jqin@fordham.edu
- Xingyan Liu, Beijing JingCheng&Tongda Law Firm



71 South Wacker Drive, Suite 2760 | Chicago, Illinois, 60606 | USA | (P) 773 909 2168 | (F) 773 281 4812
Inquiries: info@midwestuschina.org <http://www.midwestuschina.org>