

# IBG QUARTERLY

Opportunities globally



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IBG GLOBAL

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China  
India  
South East Asia  
South Korea  
Taiwan

### EUROPE

Central & Eastern Europe  
Germany  
Italy  
Netherlands / Benelux  
Sweden

## SUB-SAHARAN AFRICA:

### Africa to Become Center of Growth for E-Learning

Africa has the **highest growth rate for self-paced e-Learning in the world at 16.3%**. An international research company, Ambient Insights, indicated that "Self-paced e-learning", on a global level, reached US\$47.9 billion in 2015. E-learning Forecasts have increased significantly upward for most African countries. They expect e-learning revenues will reach US\$50.4 billion by 2020 globally, and went on to say that Africa will be at the very center of the growth. E-learning **revenues doubled from 2011-2016 in Africa with US\$523 million being reached in 2015**. This will continue to grow as Ambient Insights expect the US\$523 million will nearly **double to US\$1.1 billion by 2020**.



by Richard Zurba

### INTERESTING PROJECT

IBG Global Africa recently completed a trade mission from the Export Promotion Council for Handicrafts, the Indian government funded export association for handmade furniture, jewelry, ceramics, apparel and textiles. Fifteen companies participated in the mission from 18-23 January 2018, with almost 500 meetings held in Johannesburg and Durban. Indian companies were able to get in touch with new and existing buyers across South Africa for their manufactured goods.

[IBG Sub-Saharan Africa / Zurcom International](#)

## MIDDLE EAST:

### Israel Inks Air Transport Agreements with 10 Countries

Israel's Ministry of Transport recently signed **new air transport agreements with 10 countries**. These include **Chile, Brazil, China, Vietnam, Dominican Republic, Uganda, Tanzania, and the UK (for when the UK leaves the EU)**. Talks were also held with Laos and Rwanda with the intent to sign air transport agreements with them in the near future. The agreements will allow **direct flights between Israel and more destinations** and enable El Al Israel Airlines to sign code-sharing deals with more carriers. The ultimate goal is to make it easier for companies worldwide to do more business in and with Israel.

by Sherwin Pomerantz

### INTERESTING PROJECT

IBG Middle East hosted four foreign delegations in the last week of January, two to Arab Health Fair in Dubai and two to Cybertech Israel. Illinois and Pennsylvania sent companies to Dubai while Ontario and Indiana sent delegations to Israel. All four entities are represented by IBG Middle East.

[IBG Middle East / Atid EDI Ltd.](#)

## BRAZIL: Acquisition of Embraer by Boeing

Boeing's proposal to acquire 90% of Embraer's commercial aviation unit (regional and business jets) has delighted the **Brazilian government which will keep the Defense Aviation Unit**. Once Boeing, Embraer and the Brazilian Government agree on the terms, a general shareholders meeting will be called in the second quarter of 2018 to accept the deal. This deal will impact favorably the current and new suppliers of aviation parts and services and in the form of new orders, as it will increase the manufacturing capacity of both companies in the US and Brazil.

An **event to attract aviation suppliers to Embraer is scheduled for June 2018** – IBG Brazil is available to assist international companies in scheduling meetings with companies, agents and distributors, logistics, interpretation and in setting up booths or events.

by Fabio Yukio Yamada

### INTERESTING PROJECT

IBG Brazil has been working with a Brazilian company to access overseas markets to expand their Full Flex ethanol manufacturing technology sales that use sugar cane and corn or sorghum as feedstock. Putting together the synergies of a sugar cane-based ethanol facility side by side with a corn (or sorghum)-based ethanol plant delivers higher efficiency and lower costs.

[IBG Brazil / Tradebrz International Consultants](#)

## CANADA to Invest in Infrastructure

Through the [Investing in Canada plan](#), the Government of **Canada is investing more than C\$180 billion (US\$142 billion) over 12 years in its infrastructure** priorities:

- Public transit
- Green infrastructure
- Trade and transportation
- Rural and northern communities infrastructure

The government will **also leverage the capital and expertise of Canada's extensive pension funds**. The eight largest Canadian public pension funds are major investors globally as well as within Canada, having net assets under management of some C\$1 trillion (US\$790 billion).

*by Ron A. Straatsma*

## MEXICO Looking to Diversify Export Markets

For the first time in five years Mexico's exports found new destinations. Given the uncertainties related to the NAFTA renegotiation, Mexico has reached out to **new export markets increasing the flow to destinations other than the US by 15.8% in 2017**. Last year, Mexico exported products for the agriculture and manufacturing industries worth US\$386 million out of which \$71.3 million went to non-US countries.

**Asia** has also become an **important market for Mexico's products in 2017 - 5.4% of Mexico exports** were destined **for this continent**. Mexico has signed 12 free-trade agreements involving more than 46 countries, but has not yet truly tapped into their potential as gateways to new markets. However, with NAFTA negotiations blocked, the Mexican business sector and the Government will be on the lookout to identify new market opportunities, trade barriers, distribution channels, customers' preference and other factors necessary to expand their export options.

*by Ana Arroyo*

## AUSTRALIA & NEW ZEALAND:

### Investment in the Transport Infrastructure Sector

The growing population of Australia's capital cities is driving increased investment in crucial **road and rail transport infrastructure** to enhance the livability of Australia's cities by providing more rapid and efficient transportation.

In 2017, the Australian Government committed over **A\$75 billion (~US\$57.5 billion) funding for the next 10 years** as part of the national **Infrastructure Investment Program**. The Government has also announced additional funding programs such as the **National Rail Program** and the **National Highway Upgrade Program**.

On a state level, the New South Wales, Queensland, Victorian and Western Australian governments are investing in the construction of **new urban Metro projects in Sydney, Brisbane, Melbourne and Perth respectively**.

*By Angela Foley*

## INTERESTING PROJECT

IBG Canada recently provided a highly targeted civil construction and engineering firm itinerary for a concrete structure lifecycle analysis company.

In Canada, engineering firms typically offer 'lunch & learn' format meetings where presentations are made to an on-site group and video conference audience.

[IBG Canada / CDA Market Services](#)

## INTERESTING PROJECT

IBG Mexico has been working on a tool that can help companies in any part of the world to identify new markets. The tool will provide information and market data on imports, exports, export prices, demand information and other data. The tool will be ready by June 2018.

[IBG Mexico / ARNI Consulting Group](#)

## INTERESTING PROJECT

IBG Australia assisted Invest Northern Ireland to host a successful Trade Mission to Australia in Q4-2017. The Northern Irish companies engaged in productive B2B meetings with Australian companies, distributors and industry associations in a diverse range of sectors during the five day mission.

[IBG Australia & New Zealand / Foley & Associates Pty Ltd](#)

## CHINA: Global Hub

China's **economy grew by 6.9 percent** year on year in 2017, well above the official target of ca. 6.5 percent, the first acceleration in annual growth since 2010. **Consumption** was the **major growth driver, contributing 58.8 percent** to GDP growth last year. China alone is providing one-third of global growth, and is outweighing other countries in areas of digital commerce, Fintech, robotics and artificial intelligence. Meanwhile, China is the key trading partner for over 100 countries and has become a hub for global supply chains. Additionally, China is a magnet for commodity exports, and an important source of final demand.

*by Annabel Rong*

## INTERESTING PROJECT

IBG China recently helped a US company, involved in PV transmission efficiency improvement technology and funded by the US Department of energy, to secure business meetings aimed at capital recruiting from China's top solar manufacturers.

[IBG China / Alglory Investment Limited](#)

## INDIA:

### Domestic Aviation Market Grew by 17.5 % in 2017

India posted the **fastest domestic RPK growth** (Revenue Passenger Kilometers) **in the world**, for the third year in a row, as per a report by the International Air Transport Association (IATA). Globally, RPKs grew by 7.6 %, while RPK growth for India was 17.5 % followed by China at 13.3 %.

The growth in India is driven by economic and network expansion. Many Indian carriers have ambitious expansion plans and **local airlines have placed orders for over 900 aircraft**. This will also open up **opportunities for the MRO sector** in India.

*by Supriya Kanetkar*

## INTERESTING PROJECT

IBG India assisted an American company involved in a niche product for the Aerospace and Defense sector during their India visit in January 2018. The company will now supply to India's aerospace and defense research projects.

[IBG India / SRK and Associates](#)

## SOUTH EAST ASIA: Huge Market for MRO Services

South East Asia has **one of the fastest growing maintenance, repair and overhaul services (MRO)** market in the world due to its robust aerospace sector. Boeing estimates that **the region will need 4,210 new aircraft in the next 20 years** which is expected to lift the demand for MRO services. Singapore and Malaysia remain the top MRO hubs in the region and are seeking to further invest and advance their broad range of MRO capabilities as well as aerospace design and manufacturing operations to remain competitive. Other markets such as Indonesia, Vietnam, Thailand, and the Philippines have also started to develop a skilled labor force to target MRO work within Asia and meet the future global MRO demand.

*by Sarath Menon*

## INTERESTING PROJECT

IBG South East Asia organized a trade mission for U.S. and Canadian companies in the aerospace sector. The trade mission was organized around a key event, the Singapore Airshow 2018. IBG South East Asia facilitated meetings and productive introductions to key stakeholders in the aerospace sector.

[IBG South East Asia / Orissa International](#)

## SOUTH KOREA: Initiatives to Battle Dementia to Cost Billions

The South Korean Government has announced they are going to **invest ca. US\$1 billion in dementia research, care, and related infrastructure over the next 10 years**. According to the Korean Ministry of Health and Welfare, the number of dementia patients surpassed 700,000 last year, accounting for 9.9% of the total elderly population. By 2050, dementia patients are estimated to reach 2.3 million, with one in six elderly patients suffering from the disease. Given the concerns, the government has decided to step in and develop medical technology to fight dementia, a plan that will cost billions of Korean Wons each year. This includes blood and body fluid-based diagnostic methods that will improve diagnosis rates of dementia and decrease the progression of the disease.

*by Ken Yang*

## INTERESTING PROJECT

A US based personal medicine company signed a memorandum of understanding (MOU) with a leading biotechnology company in South Korea for future collaboration. IBG Korea assisted in establishing this MOU through their partner search service in collaboration with the local biotechnology business association.

[IBG South Korea / Korea Business Services, Inc.](#)

## TAIWAN:

### Smart Tech Industry Sales Surpassed US\$37 billion in 2017

According to an Executive Yuan report on the promotion of the smart technology industry in Taiwan, the **value of Taiwan's output in smart technology and related machinery exceeded NT\$1.1 trillion (US\$37 billion) in 2017**. The **increase** amounts to an impressive **11.1 % over 2016**. As innovation in smart technology is one area of the government's "Five plus Two Targeted Innovation Policy," the developments are promising. According to the Ministry of Economic Affairs (MOEA), **Taiwan saw a total of about NT\$538 billion (US\$18 billion) invested in the smart technology sector**, which employs 308,000 people in Taiwan, with 6,367 jobs created thanks to new investments.

*by Irene Tsai*

### INTERESTING PROJECT

As the Asia supporting office for a major wall décor manufacturer in the US, IBG Taiwan has been supervising the company's Asian distributors as well as developing new markets in the area. The office helped conduct a market overview, advised on pricing, market entry analysis and strategies. Through the office's assistance, the company has been able to enhance its presence in new Asian markets.

[IBG Taiwan / AIM Development Corporation](#)

## CENTRAL & EASTERN EUROPE:

### Massive Investments in Baltic Ports

The Polish Baltic ports of Świnoujście-Szczecin, Gdansk and Gdynia are set for expansion in infrastructure and carrying capacity as the Polish government, with the aid of the European Union, plans to invest over **US\$30 billion** in the **ports and inland waterways by 2030**. The Port of **Gdansk**, the oldest and largest Polish seaport handling roughly 37 million tons of cargo annually, will invest US\$50 million in 2018 and should receive an additional **US\$2.5 billion over the next 13 years**. Gdynia is set to obtain **US\$1.3 billion** and **Świnoujście-Szczecin US\$2.8 billion**. The government also aims to improve the **navigability of the rivers Oder and Vistula** with **costs** estimated to reach **US\$20.5 billion** by 2030.

The **Lithuanian** state-controlled Port of **Klaipeda** reached a record cargo handling turnover in 2017 (43.01 million tons of cargo) and the port plans to **invest US\$489.5 million** into infrastructure in the coming four years. The **Riga Freeport**, the largest port among the 3 Baltic States, plans to invest **US\$60 million** in development in **2018**.

*by Filip Korinek*

### INTERESTING PROJECT

IBG CEE has recently assisted a US company involved in production of steel forming systems for prefabricated concrete products. The partner search took place in the Czech Republic and generated a number of leads, which the client met in person in February 2018. According to the client's feedback, each individual meeting was well worth the trip!

[IBG CEE / EasyLink Business Services](#)

## GERMANY: German Medical Technology Accounts for 40% of the EU Medical Market

The German **medical technology market ranks first within the EU and third after the US and Japan**, offering a high potential as a target market and for strategic partners. Health care expenditures are comparatively high especially when looking into this cost-intensive market and new technologies for improved patient care are arising. While the health care market is also affected by digitalization of communication and devices, **growing segments can be also seen in interventional medicine, neuro engineering and imaging diagnostics**. In order to bridge the gap between cost-effectiveness and innovative diagnosis and therapy techniques **the medical technology market in Germany is in need of advanced devices and digital solutions**. IBG Germany has been undertaking projects in the health care and med-tech market for many years and has a vast experience regarding drivers and trends inside the German market.

*by Dr. Linda von Delhaes-Guenther*

### INTERESTING PROJECT

IBG Germany and IBG South Africa are working together on the investment representation of Tshwane Economic Development Agency (TEDA) in Germany.

[IBG Germany / AHP International GmbH & Co. KG](#)

## ITALY: Advanced Manufacturing Gaining Momentum

Italy has experienced **the strongest growth in its manufacturing sector in close to seven years**, prompting the growth in interest in advanced manufacturing and digitization of manufacturing processes, also known as "Industria 4.0" in Italian. A recent survey revealed that over **64% of Italian metalworking and machinery companies are now actively applying at least one of the advanced manufacturing technologies** in their production processes, which could solve the **two main challenges** that Italian manufacturers are facing:

- The **average age of the machine tools** installed in Italian machinery and metalworking companies is **13 years**, with large discrepancies among highly advanced manufacturers and many more who have not upgraded their technologies and are losing market share.
- Italian manufacturers of machine tools need to **increase the connectivity of these machines**. By incorporating more sensors they will be able to receive data on the actual end use of the machine to better understand client and maintenance needs, leading to improvement in productivity and quality.

*by Rita Malavasi*

## NETHERLANDS / BENELUX:

### E-health – A Fast Growing Market in the Netherlands

Revenues in **e-health** are **expected to grow at an annual rate of 13.5 % in the Netherlands** until 2020, from US\$133 million in 2018 **to US\$171 million in 2020**. E-health solutions for patients with heart failure generates the world's largest revenue, with a market volume of US\$3.6 billion in 2018. In 2019 the sales are expected to grow by 11.1% for heart failure solutions, with average revenue per user of US\$1,728. The data are focused on connected medical devices for use at home, pay-to-use apps, pay-to-use desktop versions that additionally provide an app and tele medical services relating to remote patient monitoring.

*by Peter E. Sanders*

## SWEDEN:

### New Record Highs in the Swedish Organic Food Market

The trend is stronger than ever with new record highs for the Swedish organic food market. The sales of organic food increased again in Sweden in 2017 - by **US\$310 million** to a total of **US\$3.5 billion**, recording an increase of 9.8%. **Over the past 10 years, the demand for organic food has increased four times**, and now accounts for **9.3% of the whole food market** in Sweden.

Consumers, who previously mainly bought organic milk, coffee and bananas, have started to continuously add other organic products in their shopping cart. For many people, using organic products is a lifestyle choice, an important part of their identity and how they wish to be perceived. Over the **coming 10 years, the market share of organic food in Sweden is expected to double**.

*by Henrik Hjelm*

## INTERESTING PROJECT

Perissinotto, a world renown company for designing and manufacturing customized centrifugal pumps for the most difficult abrasive and/or acid applications, commissioned IBG Italy to develop their US market. Given the success of the first phase of prospecting campaign and market overview, the company decided to continue exploring the business opportunities in the market scheduling a Road Show with potential prospects in the US.

[IBG Italy / Warrant Group SRL](#)

## INTERESTING PROJECT

IBG Benelux identified the largest wholesale distributors of organic foods in Belgium for Galloni GmbH, an Italian manufacturer of artisan & organic meat. Our own research showed Belgian consumers are willing to spend significantly more money on organic and high quality food.

[IBG Benelux / psp consultants](#)

## INTERESTING PROJECT

The German company SIKA Dr. Siebert & Kühn GmbH & Co KG produces measurement, control and calibration technology, is present in the Swedish market through distributors and wished to expand further, establishing a local area sales manager for Scandinavia based in Sweden. IBG Sweden conducted a recruitment campaign for SIKA, which resulted in a successful match with a suitable candidate chosen for the position.

[IBG Sweden / Eastnet Business Development AB](#)

# IBG GLOBAL

The International Business Group (IBG Global), founded in 2000, is a Partnership of private commercial consulting firms with offices and staff in **49 countries, covering a total of over 150 country markets** in the Americas, Europe, Asia-Pacific, Africa, and the Middle East.

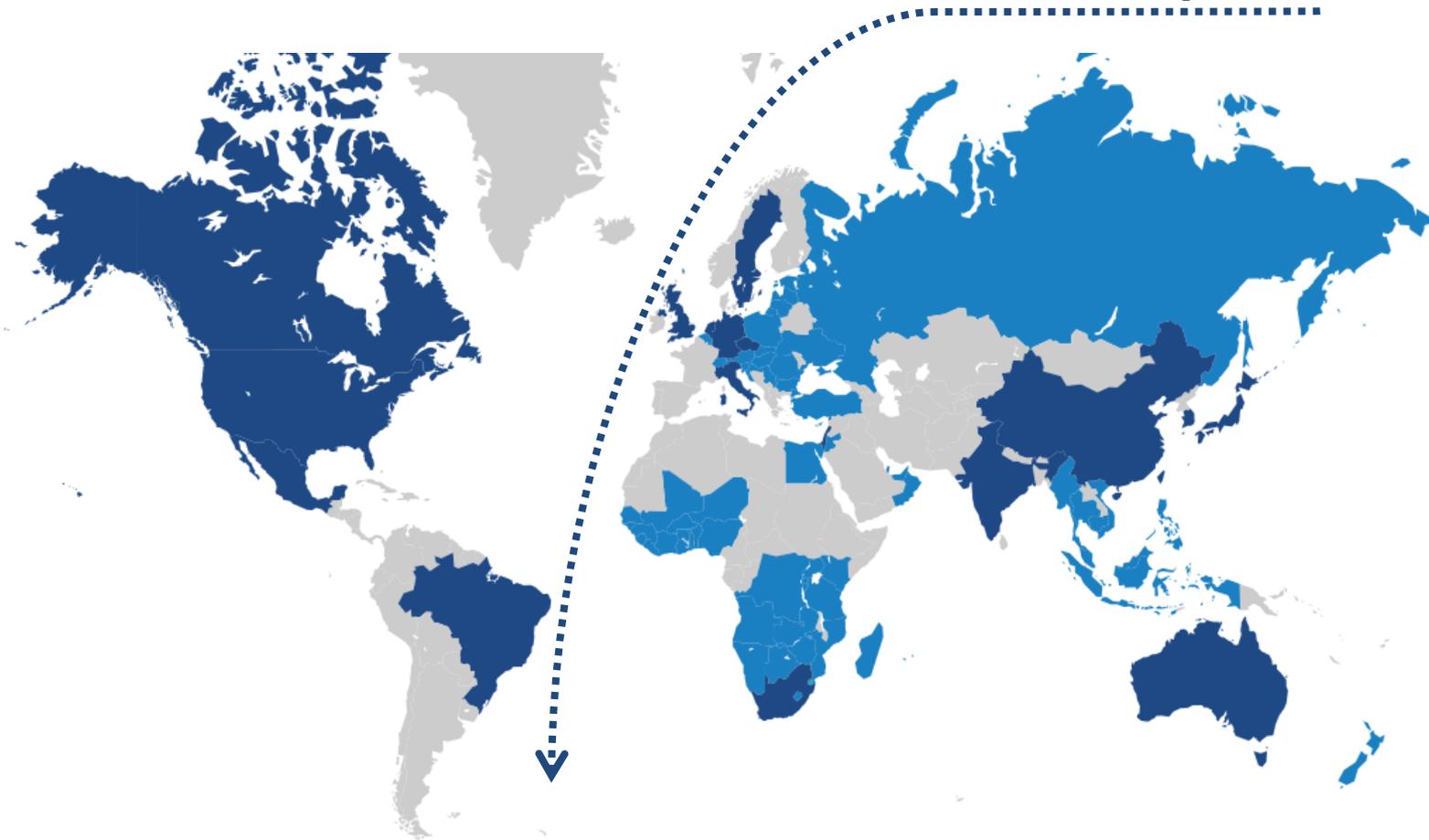


IBG Global carries out high quality agent/distributor, end-buyer searches, research and in-country support specific to your company or organization, industry and target market requirements.

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