

Lesson 4

The World Does Business with Nebraska



OVERVIEW: In addition to promoting the export of goods, services, and produce, Nebraska encourages foreign investments to further its economic development. This lesson looks at some current foreign investments in the State. This list is ever changing in our growing state.

ECONOMIC CONCEPTS: The students will learn about:

1. capital investment
2. production
3. international trade

OBJECTIVES: The students will be able to:

1. identify foreign investors in Nebraska.
2. identify where the foreign investment companies are located.
3. describe the various industries of these companies.
4. assess foreign investments in Nebraska with regard to their countries of origin.

NEBRASKA STANDARDS:

8.3.5, 8.3.6, 12.4.16, 12.4.17, and 12.4.18

MATERIALS:

1. Case Study: International Firm Investing in Nebraska
2. International Firms with Facilities in Nebraska Student Handout
3. Foreign Investments in Nebraska Student Worksheet
4. Foreign Investments in Nebraska Student Review
5. Foreign Investments in Nebraska Teacher Information
6. International Companies Investing Nebraska Student Worksheet

PROCEDURE:

1. Begin with a brief discussion of foreign investments in Nebraska by asking students what countries they think have invested in the State, why they have located in Nebraska, and what products they produce.

2. Distribute "Case Study: International Firm Investing in Nebraska" and have students read the article. Instruct them to consider the following questions and to be prepared to discuss their answers:
 - What firm was featured in this article?
 - What is their host country?
 - What city is primarily affected by this news?
 - Why did this company choose Nebraska in their decision?
 - How will this firm's decision impact the local Nebraska economy?
3. Distribute the handout entitled "International Firms with Facilities in Nebraska" to each student and allow them to comment on their observations of the list. What patterns do they see? Have them check to see if their city is mentioned, the corresponding company, and industry.
4. Distribute the Foreign Investments in Nebraska Student Handouts and Student Worksheet and have students answer the questions.
5. Hand out the Student Review on Foreign Investment in Nebraska. Have students match the company to the product produced.
6. After reviewing the worksheets, have the class assess foreign investments in Nebraska with regard to the different types of industries involved, for example: food products, agriculture, manufacturing, or service related.
7. Have students locate on a map the different nations that are doing business with Nebraska.
8. Locate an international firm doing business in your area. Contact the company and see if a speaker can come to your class to help the students answer the questions on the worksheet, "International Companies Investing in Nebraska". You may want to use the business survey form letter in Lesson 3, "Finding Nebraska Firms Involved in International Trade" when you contact the company for information.

*Case Study: International
Firm Investing in Nebraska*



EUROPEAN FIRM TO OPEN PLANT IN GENEVA

(by Andy Raun, Hastings Tribune, April 5, 2000)

GENEVA - A Spanish company will open a "mini chemical plant" here by this fall, extracting the human health product chondroitin sulphate from beef byproducts, officials announced Tuesday. Bioiberica S.A. will occupy the former Biba Co. industrial property along North U.S. Highway 81. It will process beef tracheae, extracting chondroitin sulphate, which is useful in protecting joints and repairing cartilage, and used in dermatology and cosmetics said Phil Michel, with the Nebraska Department of Economic Development in Lincoln. The Biba property includes two buildings, with a combined total of 17,556 square feet of floor space, on a 58-acre parcel of land. The building has been listed as available on DED's World Wide Web site.

The Fillmore County Development Corp. reportedly was part of the transaction in which Bioiberica acquired the property. Bioiberica has not indicated how many workers it plans to employ at Geneva, but state officials expect to see the work force start out small, Michel said. Employees will have to be well trained for the kind of skilled jobs they will be performing, he said. "This is going to be a mini chemical plant, so for the most part they are going to be people who know how to operate machines," Michel said.

According to its Web site, Bioiberica was founded in 1975 and has headquarters in Barcelona, Spain. The privately held, export-oriented company has 110

employees, more than 30 of whom are chemists, pharmacists, biologists, agronomic and industrial engineers, medical doctors and economists. Michel said that company exported products to more than 40 countries worldwide, including the United States and the Far East.

Chondroitin sulphate is just one of Bioiberica's products. It is extracted from bovine, swine and shark cartilage. The product stabilizes fibrous and cellular elements of connective tissue while lubricating and protecting the membranes, according to the company. Michel said Bioiberica collected beef trachea from throughout the world, and that up to now the tracheae collected in the United States had been frozen and shipped to Barcelona for processing. With a U.S. plant in operation he said, the company would be able to bypass the long-distance shipping. "I'm pretty excited about it" Michel said. "I think it's just one more example of value-added (processing), and it's a pretty striking example." Besides having a suitable property available, Geneva benefited from its geographical location and its proximity to both U.S. 81 and Interstate 80, Michel said. "It's centrally located if you look at where the packing plants are, not just in Nebraska but in surrounding states," he said. "Geneva is almost in the center of the beef kill."

International Firms with Facilities in Nebraska By Country of Origin

(NE Department of Economic Development, February 1998)



<u>Country</u>	<u>Company(s)</u>	<u>U.S. Company(s)</u>	<u>Location(s)</u>	<u>Products</u>	<u># Employees</u>
Belgium	Equinox, NV	Central Nebraska Packing, Inc.	North Platte	Zoo animal diets, USDA horse meat, tallow, meat & bone meal	50-99
Canada	ALCAN, Ltd.	Kroy Industries	York	PVC plastic pipe, custom aluminum casting, irrigation pipe & fittings, irrigation equipment	50-99
Canada	CAE, Inc.	CAE Vanquard Inc.	Lincoln	Axle rebuilding	25-49
Canada	Cominco, Inc.	Cominco American, Inc.	Beatrice	Nitrogen fertilizer	50-99
Canada	IPS Steel, Inc.	IPSCO Steel-Geneva Works	Geneva	Oilfield pipes & casing products	10-24
Canada	McCain Foods	McCain USA	Grand Island	Onion rings, chopped onions, mushrooms, okra, cauliflower zucchini, fruits & cheeses	500-999
Canada	Magna	Douglas & Lomason	Columbus	Automobile seat frames, Ford Chrysler, GM seat frames, tubing	500-999
Canada	Maplehurst Bakeries Inc.	Arnie's Bagelicious	Nebraska City	Part-baked and fully-baked bagels	100-199
Canada	Potash Corp of Saskatchewan	PCS Phosphate Co. Inc.	Weeping Water	DiCalcium Phosphate 18.5%; MonoCalcium Phosphate 21%	25-49
Canada	Premdor, Inc.	Premdor, Inc.	North Platte	Wooden doors	100-199
Canada	Premoule	Premoule	Omaha	Commercial/residential thermo-plastic doors & molded counters	25-49
Canada	Quebecor	Quebecor (formerly American Signature)	Lincoln	Commercial printing, magazine printing	500-999
Canada	Remcor	LBT Inc.	Omaha	Liquid & dry bulk semitrailers, gas transport trailers	100-199
Canada	SELC	Automated Monitoring & Control Inc.	Omaha	Switching & control devices, software	200-499

<u>Country</u>	<u>Company(s)</u>	<u>U.S. Company(s)</u>	<u>Location(s)</u>	<u>Products</u>	<u># Employees</u>
Finland	Culter Ltd.	Culter Food Science Corp.	Sidney	Specialty natural extracts	25-49
France	Delachaux	Industrial Electric Reels	Omaha	Cable reels, spring reels, hose reels, collector rings	50-99
France	Groupe Schneider S.A.	Square D	Lincoln	Electrical circuit breakers	500-999
Germany	Ruhrgas A.G.	American Meter	Nebraska City	Die casting, meters	500-999
Germany	Degussa A.G.	Degussa	Blair	Lycine	
Hong Kong	Swire Group	United States Cold Storage	Omaha	Commercial cold storage	
Hong Kong	Wharf, Ltd. & World International	Omni Hotels Reservation Center	Omaha	Hotel reservation center	100-199
Italy	Fiat	New Holland	Grand Island	Combines, combine grain & corn heads, hay windrowers, SP forage harvesters, large balers, automatic bale wagons	500-999
Japan	Dainippon Ink & Chemicals Corp.	Swift Adhesives	Omaha	Adhesives	10-24
Japan	Kawasaki Motors	Kawasaki Motors Manufacturing Corp.	Lincoln	Motorcycles, recreational vehicles	200-499
Japan	Kubota Tractor, Ltd.	Auburn Consolidated Industries	Auburn	Ground maintenance equipment construction equipment	100-199
Japan	Mitsubishi Chemical of Japan		Blair	Erythritol	50
Japan	Mitsubishi Intl., International Inc., Chemical Division	Diamond Plastics Corp.	Grand Island	PVC plastic pipe	50-99
Japan	Mitsubishi Trading Corp.	Agrex Co.	Elm Creek, Norfolk, Superior	Grain	
Japan	Nicherei Corp.	Sun Husker Foods Inc.	Lincoln	Custom cut & packaged variety meat, fresh & frozen; fully cooked chicken parts; HRI & retail packaging	100-199

<u>Country</u>	<u>Company(s)</u>	<u>U.S. Company(s)</u>	<u>Location(s)</u>	<u>Products</u>	<u># Employees</u>
Japan	Q.P. Corp.	Henningsen Foods	David City Norfolk Omaha Ravenna	Dehydrated egg, beef & ham products, dried meat & eggs, egg yolks, mixed & whole egg solids, powdered meats & flavorings, custom spray drying	200-399
Japan	Shizuki Electric Co.	ASI	Ogallala	Film capacitors	200-499
Japan	Stamina Foods w/ Marubeni Corp. & Marubeni of America	Fremont Beef	Fremont	Processed meats	100-199
Japan	Tokyo Seat Corp.	Tri-Con Industries	Lincoln	Motorcycle, van & golf cart seats	50-99
Japan	Tokyo Seat Corp.	Tri-Con Industries Stamping	Lincoln	Metal fabrication of car seat part	50-99
Japan	Yasufuku Rubber Industries	Yasufuku, USA	Lincoln	Rubber components for jet skis, cars, motorcycles & small machinery	25-49
Netherlands	CSM nv (Central Sugar Milling)	PURAC	Blair	Lactic acid	25-49
New Zealand	Flomax International Ltd.	Masport, Inc.	Lincoln	Vacuum & pressure air pumps	10-24
Switzerland	Northrup King	Northrup King	Phillips, Norfolk	Seed farm & research	
Switzerland	Norvartis Consumer Health, Inc.	Novartis Consumer Health, Inc.	Lincoln	Pharmaceutical products	200-499
Switzerland	Zurich Insurance	Empire fire & Marine Insurance Co.	Omaha	Insurance	
United Kingdom	Hanson PLC	National Crane	Waverly	Hydraulic telescoping & articulating cranes	200-499
United Kingdom	Imperial Chemical Industries, LTD	Garst Research Farms	Wood River	Seed research	
United Kingdom	Ransomes PLC	Cushman Manufacturing	Lincoln	Turf equipment, industrial & commercial 3 & 4 wheel vehicles	500-999
United Kingdom	Reed International, PLC	Utell International	Omaha	Hotel reservation center & product marketing	200-499
United Kingdom	Tate & Lyle	Western Sugar Co.	Bayard, Mitchell	Beet sugar & sugar beet byproduct	300-699
United Kingdom	Zeneca	Zeneca Ag Products	Omaha	Agricultural Chemicals	

Student Worksheet

*Foreign Investments
In Nebraska*



1. What country is most heavily invested in Nebraska?
2. Name five companies with foreign investments in Lincoln?
3. Who is the foreign affiliate of Kawasaki Motors in Lincoln?

What country is the affiliate from?

What is manufactured?
4. Name five different countries with foreign investment in Omaha?
5. Name two different operations of foreign investments in Norfolk?
6. What is manufactured in Superior?
7. How many different companies have foreign investments in Blair?
8. What company has foreign investments in Auburn?

What do they manufacture?
9. What company has foreign investments in North Platte?

What do they manufacture?
10. What Nebraska town has Finland invested in?

What do they manufacture?



*Foreign Investments
In Nebraska*



MATCHING QUIZ

- | | |
|-------------------------------------|----------------------------|
| _____ 1. ALCAN, Ltd. | a. bagels |
| _____ 2. McCain Foods | b. grain |
| _____ 3. Groupe Schneider S.A. | c. nitrogen fertilizer |
| _____ 4. Reed International. PLC | d. seed research |
| _____ 5. Fiat | e. beet sugar |
| _____ 6. Mitsubishi Trading Corp. | f. PVC plastic pipe |
| _____ 7. CSM nv | g. circuit breakers |
| _____ 8. Flomax International Ltd. | h. onion rings |
| _____ 9. Northrup King | i. pharmaceutical products |
| _____ 10. Novartis | j. wooden doors |
| _____ 11. Tate & Lyle | k. combines & balers |
| _____ 12. Zeneca | l. hotel reservations |
| _____ 13. Cominco, Inc. | m. agricultural chemicals |
| _____ 14. Maplehurst Bakeries, Inc. | n. lactic acid |
| _____ 15. Premdor, Inc. | o. vacuum pumps |

*Foreign Investments
In Nebraska*



MATCHING QUIZ SOLUTIONS

1. ALCAN, Ltd. is a Canadian company, produces PVC plastic pipe in York, Nebraska (f)
2. McCain Foods is a Canadian company that produces onion rings and other chopped vegetables in Grand Island, Nebraska. (h)
3. Groupe Schneider S.A. is a French company that produces electrical circuit breakers in Lincoln, Nebraska. (g)
4. Reed International, PLC is a British company that makes hotel reservations in Omaha, Nebraska. (l)
5. Fiat is an Italian company that produces combines and large balers in Grand Island, Nebraska. (k)
6. Mitsubishi Trading Corp. is a Japanese company that produces grain in Elm Creek, Norfolk, and Superior, Nebraska. (b)
7. CSM nv is a Dutch company that produces lactic acid in Blair, Nebraska. (n)
8. Flomax International Ltd. is a New Zealand company that produces vacuum pumps in Lincoln, Nebraska. (o)
9. Northrup King is a Swiss company that does seed research in Phillips and Norfolk, Nebraska. (d)
10. Novartis is a Swiss company that produces pharmaceutical products in Lincoln, Nebraska. (i)
11. Tate & Lyle is a British company that produces beet sugar in Bayard and Mitchell, Nebraska. (e)
12. Zeneca is a British company that produces agricultural chemicals in Omaha, Nebraska. (m)
13. Cominco, Inc. is a Canadian company that produces nitrogen fertilizer in Beatrice, Nebraska. (c)
14. Maplehurst Bakeries, Inc. is a Canadian company that bakes bagels in Nebraska City, Nebraska. (a)
15. Premdor, Inc. is a Canadian company that produces wooden doors in North Platte, Nebraska. (j)

Student Worksheet

*International Companies
Investing In Nebraska*



Name of Company: _____

Company's National Origin: _____

Number of Employees: _____

- When and where did you first learn about the benefits of investing in Nebraska?
- What specific factors influenced your decision to locate in Nebraska?
- Describe your company's product(s).
- Is your product made entirely in Nebraska or do you import components from your home country? What percentage of your final product is made in Nebraska? _____ Made in your home country? _____ Imported from other nations? _____
- Where are your products sold? (In Nebraska, the U.S., or overseas?)
- What do you suggest students at our school should study to prepare to work in the international marketplace?

Lesson 5