

Costa Rican companies explore connections here

TOM BRECKENRIDGE
Plain Dealer Reporter

Costa Rican companies producing an array of consumables — from cream liqueurs to processed cereals — are in Cleveland this week looking for a Midwestern beachhead.

It's the next crucial step to fulfilling the springtime promise of Mayor Frank Jackson's first foray into foreign trade.

Acting on the Cleveland Foundation's international contacts, Jackson struck a deal with Costa Rican President Oscar Arias Sanchez and 12 exporting companies to pursue a trade gateway to the Midwest, via Cleveland.

Jackson said then that the agreement didn't guarantee the movement of Costa Rican goods here, unless it made sense for the



Sanchez

Hoyas

companies' bottom lines.

This week, top executives with eight Costa Rican companies are meeting with food wholesalers and distributors to see whether Cleveland works for them.

Gus Hoyas, board chairman for the Hispanic Business Association, said relationships established this week will be key to meeting Jackson's goal of having Costa Rican goods here by spring.

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Costa Rican companies explore commerce here

"There are great opportunities for these companies to create a presence in the region," Hoyas said.

Cleveland hopes to land a chunk of the \$9.5 billion in goods that Costa Rica exports through Miami.

The new business could mean modest demand for warehouses and muscle to move the goods, as well as legal and financial services.

More importantly, the region establishes a potential trade partner in Latin America for local goods, such as steel, high-tech equipment or bio-medical devices, Hoyas said.

Since spring, the cast of players working the deal has grown.

The Cleveland Foundation and Cleveland City Hall are now working with the Hispanic business group and TeamNEO, the region's business-attraction group, to enrich and expand the Costa Rican prospects.

Hoyas flew to Costa Rica in October with Eugenio Yanez, a consultant to the Cleveland Foundation. Hoyas said he feared the deal wasn't moving fast enough and could bog down in the worsening global economy.

"The mojo was kind of dying," Hoyas said.

They met with companies involved in the Cleveland deal and other potential exporters. Enthusiasm is high, said Hoyas, whose business group has since signed a memorandum of understanding with a Costa Rican exporters' organization.

"We are not selling the product, but we will market the heck out of it to wholesalers," Hoyas said.

Cleveland Foundation President Ronn Richard said he never felt the deal was waning.

"I haven't felt we were losing our mojo," Richard said. "I felt it was pretty steady."

"The Costa Ricans are darn serious, or they wouldn't have paid to fly up here," Richard said.

This week, the Hispanic business group is squiring owners and export executives from the Costa Rican companies through face-to-face meetings with food

wholesalers and distributors.

Jackson and Richard greeted the contingent Monday morning, along with Adam Wasserman, president of the Cleveland-Cuyahoga County Port Authority.

The eight Costa Rican companies have sales ranging from \$4 million to \$90 million annually, Hoyas said.

Products range from gourmet coffee and spices to hearts of palm and canned beans and vegetables.

Wholesalers include several from the Northern Ohio Food Terminal on the city's East Side, where tons of fresh produce are distributed daily.

Jeff Sanson, chief executive with Sanson Co., met with the Costa Rican companies Monday. None of them did business in the kind of produce he handles for wholesale, he said.

"I think we came to the conclusion that the best thing for them would be to talk with major retailers to gain access here," Sanson said. "These are good people, with fine, high-end products."

Sanson said he receives bananas and other produce from Costa Rica. It arrives after an

eight- to nine-day trip by ship to an East Coast port and then by truck to Cleveland.

Many Costa Rican companies move products through Miami. One advantage here: Companies could deal directly with wholesalers, avoiding brokerage fees they must pay to distribute products out of Miami, Hoyas said.

Long term, local officials envision Costa Rican products arriving by container ships at the Cleveland port. The port does not handle containers now.

The Costa Rican prospects will be the subject of a press briefing at 11:15 a.m. today at City Hall.

Jackson, meanwhile, is preparing for another overseas trip to drum up business. He's scheduled to fly to Germany on Nov. 29.

The Cleveland Foundation's Jorge Delgado, whose contacts helped open doors in Costa Rica, is in Germany this week lining up companies for Jackson to meet, Richard said.

"I think it's wonderful the mayor is going global," Richard said.

To reach this Plain Dealer reporter: tbreckenridge@plaind.com, 216-999-4695