

THE PLAIN DEALER

NE Ohio serious about foreign trade

Diversity at home may produce business opportunities abroad

Friday, May 25, 2007

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Cleveland's ethnic diversity provides its share of cultural diversion, from food to festivals. But could the melting pot of Northeast Ohio help revitalize the economy, too?

That theory is being tested on several fronts. In the past month, a local scouting expedition visited Hungary looking to forge economic connections.

Meanwhile, back in Northeast Ohio, the welcome mat was being prepared for a small group of businessmen from India, each looking for opportunity in Greater Cleveland.

Early reports are optimistic.

Hungary

When Hungary stepped out from behind the Iron Curtain, Clevelanders with ties embraced the former Soviet satellite like a long-lost child.

They formed the Cleveland Hungarian Development Panel and began reconnecting with their ethnic homeland.

They promoted cultural and educational exchanges. The Hungarian National Folk Ensemble came here. The Cleveland Orchestra went there.

But why not do more? Why not link the two regions economically?

After all, Hungary joined the European Union in 2004 and has a remarkable legacy of scientific achievement.

The result was a recent trade mission to Budapest that included Baiju Shah, president and chief executive of BioEnterprise; Mark Coticchia, vice president for research and technology management at Case Western Reserve University; and Chris Coburn, executive director of CCF Innovations, the Cleveland Clinic's commercialization arm.

The focus was health care and biotech, and mission members returned with a greater understanding of Hungary's potential and a belief that progress can be made -- if not initially, then down the road.

One obvious area of collaboration is medical. The Cleveland Clinic recently received a \$60 million grant to develop and harness cardiovascular research, Coburn said, while at the same time Hungary is making advancements in that very field.

When it comes to making the necessary business contacts, the strong cultural ties between Hungary and Cleveland, which once boasted the largest collection of Hungarians outside Budapest, will help, Coticchia said, just as a vibrant Jewish community has helped attract a number of Israeli investments to Northeast Ohio.

Aiding the mission to Hungary was Maj. Sam Dean of the Ohio National Guard, who is assigned to the U.S. Embassy in Budapest. After the fall of communism, state National Guards were paired with Warsaw Pact countries to help in their transition to democracy and capitalism.

It also doesn't hurt that April Foley, the U.S. ambassador to Hungary, is a graduate of Avon Lake High School and that political strategist Gerry Austin, who lives in Lakewood, has been spending a fair amount of time consulting with the political party that controls Hungary's parliament.

If all goes well, Cleveland could become a beachhead for Hungarian companies to launch in the North American marketplace. But first, Hungary must learn how to commercialize its research and nurture entrepreneurs.

Coticchia said he's willing to help, offering to host Hungarians in his department so they can learn how it's done.

Some cooperation between Cleveland and Hungary could happen right away, Shah said. For instance, Northeast Ohio companies could use Hungary as a low-cost place to conduct clinical trials that would qualify a drug or product for sale in the European Union.

While that may be true, the connection between Hungary and Northeast Ohio has the potential to be much more, Coburn said, with money coming here as well. Hungary has wealth, he said, as evidenced by the many German and Italian sports cars he spotted tooling around Budapest.

India

In his closing remarks to a visiting trade mission from India, Lt. Gov. Lee Fisher emphasized Ohio's willingness to be a partner in economic development.

Other states may wrap up an agreement with a new investor by saying goodbye, he told the group gathered at the Doubletree Hotel Cleveland South in Independence.

"In Ohio, when you close the deal, it's 'Hello.' "

Those other states might take exception to Fisher's remark. But despite whatever license he may have used to drive home his point, Ohio does welcome foreign investment and expanded trade relations.

Fisher touted some of Ohio's strong points, including the infrastructure of roads and rail and its central location to much of America.

But what may ultimately persuade a company from India to do business in Northeast Ohio will be the reception it gets, from both the state and the local business community.

The mission came from Gujarat, a state in western India with a history of aggressive merchants willing to take risk and trade with other countries. In America, most of the motel franchises are owned by people named Patel and Mehta, two of the most common Gujarat surnames, said Ashish Mehta, who is from Gujarat and started a software and medical transcription company in Cleveland in 2004.

But this group wasn't looking for a line on Motel 6 franchises. It sought cooperation in auto parts, architectural products and clinical research.

Mission member Kalpesh Kalthia, managing director of Mayfair Clinical Education & Research Centre Pvt. Ltd., said he wants to build a bio-analytical lab in the United States and is likely to choose between Northeast Ohio and San Diego, where he used to be in the motel business.

One of the Greater Cleveland economic developers whom Kalthia met with was Shah of BioEnterprise. Shah's father, who is from Gujarat, settled in the Cleveland area in 1969.

"I was struck by how excited [Kalthia] was to do something in this region," Shah said. People on trade missions are generally noncommittal in both words and emotions, he said, but "I did not get that sense from him."

Kalthia said his decision hinges in part on the financial incentives he can obtain from Ohio. He said that the investment would range from \$3 million to \$5 million and that the lab would employ 30 to 40 people.

Others made connections, too. Pravin Patel, who represents an Indian manufacturer of stainless steel door handles and other products, met with local architectural firms, including Richard L. Bowen & Associates.

Meanwhile, Mitesh Mehta of Microsign Products spent time with auto parts makers in Twinsburg and Warren. His company makes plastic wiring harnesses, and he would like to tap into the U.S. market.

The Indian trade mission came to Northeast Ohio thanks to the coaxing of Ashish Mehta, who took part in a prior India trade mission organized by Radhika Reddy, a partner in Ariel Ventures LLC in Cleveland and president of the India Ohio Chamber of Commerce.

Reddy, herself an immigrant, came to Cleveland from Hyderabad, India, 18 years ago to study at Case Western Reserve University.

"I came as a student with \$20 and a one-year scholarship," said Reddy, whose relative, Mohan Reddy, was a professor at Case at the time and is now dean of the Weatherhead School of Management.

Both Reddy and Mehta believe the substantial Indian community in Cleveland will help attract capital from their home country. While opening shop here will have to make business sense, having some cultural comfort doesn't hurt.

"As far as your family goes, as far as your social life," Ashish Mehta said, "it helps."

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