# GOING GLOBAL

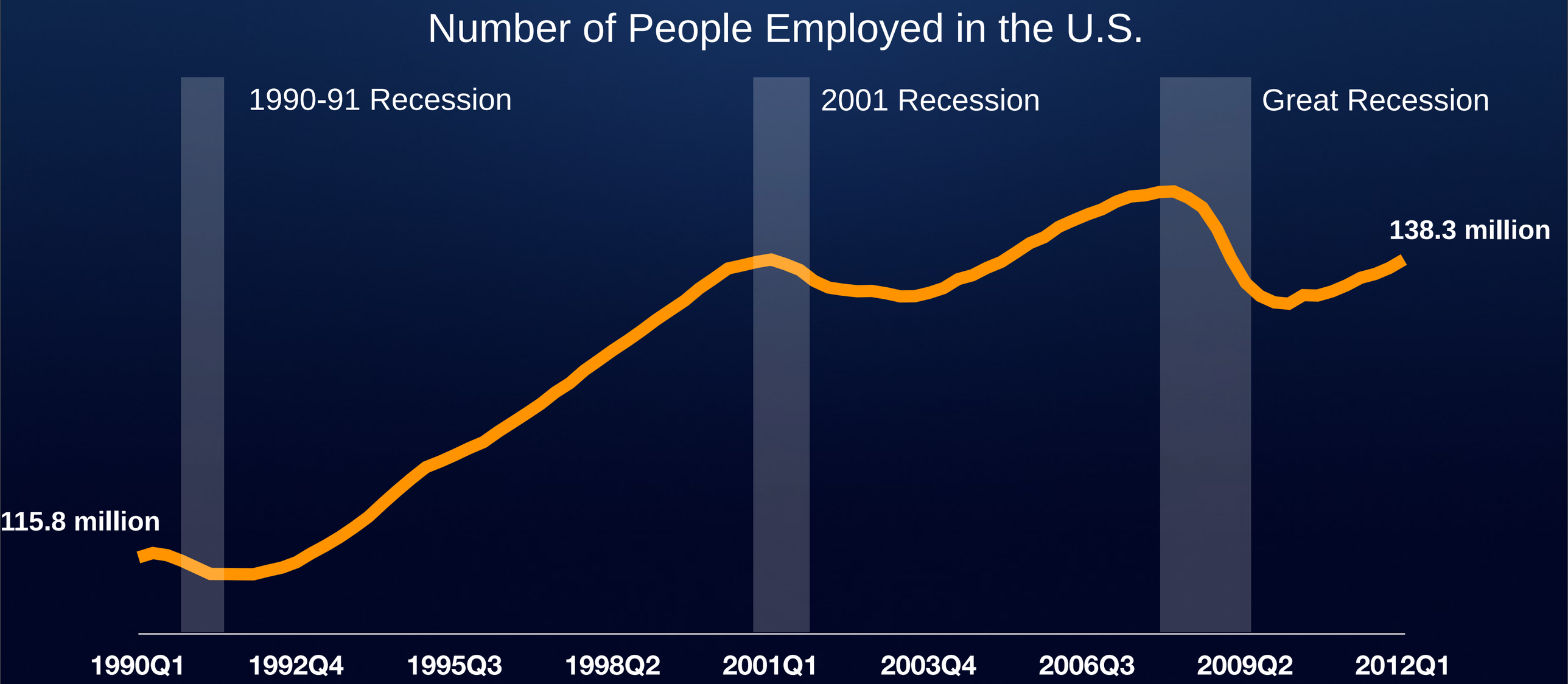
## Boosting Economic Growth for Cities and Metropolitan Areas

@BrookingsMetro
@Amy_Liuw
#exportnation

Metropolitan Policy Program
at BROOKINGS

SisterCities International Annual Conference - Jacksonville, FL / July 13, 2012

# The Great Recession Was a Structural Recession, Not a Cyclical One




*Source: U.S. Bureau of Labor Statistics (BLS): Current Employment Statistics (CES), Quarterly Census of Employment and Wages (QCEW); Moody's Analytics Estimates*

# The Core Problem: The Bulk of U.S. Growth Came from Non-Tradeable Sectors

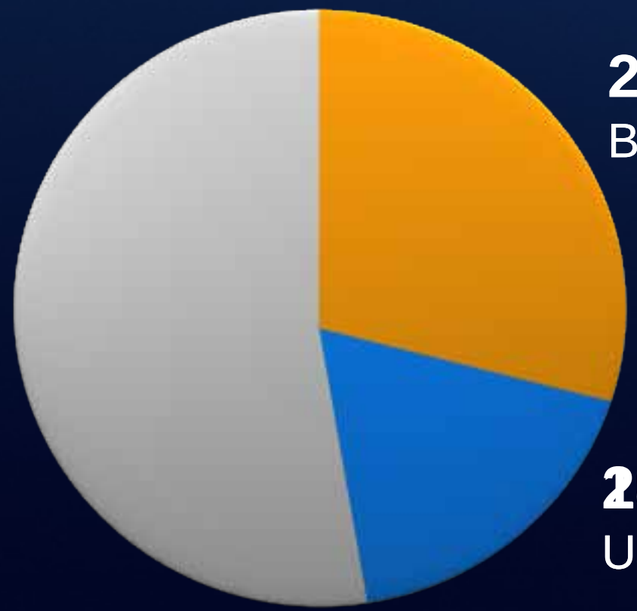
**98 percent**

incremental job growth between 1990-2008 from non-tradeable sectors

*Source: Michael Spence, "The Evolving Structure of the American Economy and the Employment Challenge," Council on Foreign Relations, 2011.*

# The Other Big Shift: Growth Markets Are Increasingly Located Outside of the U.S.

## Global GDP



29.4%
BIC Countries

28.2%
US

2010

## Global Metro Population

60%

2050

*Source: International Monetary Fund, World Economic Outlook Database, April 2010; UN Department of Economic-Social Affairs, World Urbanization Prospects, 2009*

# The Other Big Shift: Growth Markets Are Outside of the U.S.

**$21 trillion**

global middle class consumption in 2020

*Source: OECD*

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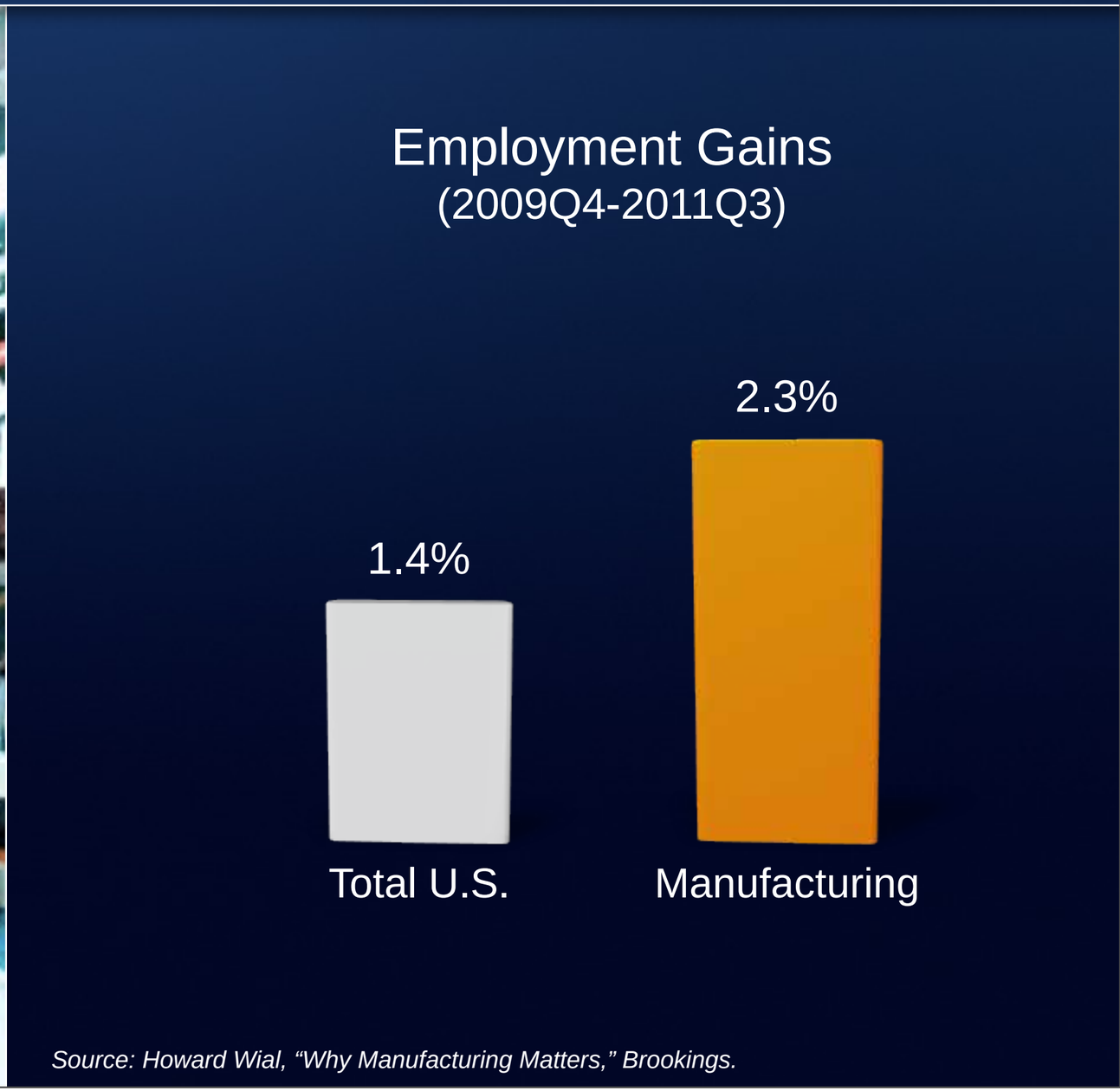
The winners in the next economy will be those who maximize global assets and tap new opportunities

# Leaders Will Innovate in Manufacturing and Services




*Source: Howard Wial, "Why Manufacturing Matters," Brookings.*

# Leaders Will Innovate in Manufacturing and Services

**35%**

manufacturing
**share of engineers**

**68%**

manufacturing
**share of R&D**

**90%**

manufacturing
**share of patents**

*Source: EOP "A Framework for Revitalizing American Manufacturing" (2009)*
*Brookings "Accelerating Advanced Manufacturing with New Research Centers" (2011)*

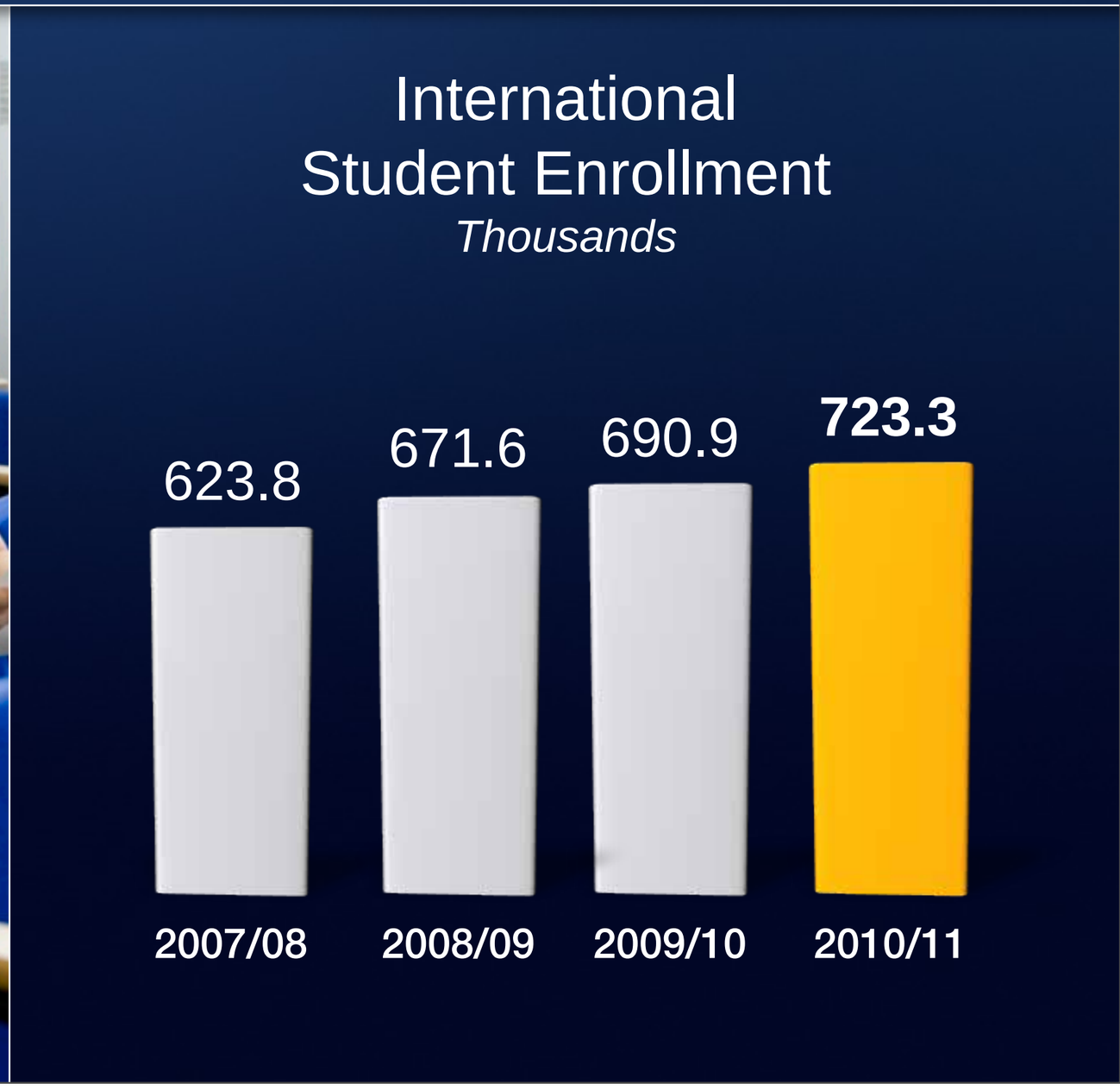
# Leaders Will Innovate in Manufacturing and Services

## US Service Trade

*2010, Billions*

*Source: US Bureau of Economic Analysis, International Transactions Accounts, 2010*

# Leaders Will Innovate in Manufacturing and Services



# Leaders Will Innovate in Manufacturing and Services

## International Student Enrollment

*Thousands*

**$21.2 billion**
education exports

# Leaders Will Invent and Deploy Clean Economy Products and Services

**$53.9 billion**
clean economy exports

## Export Intensity

*Yearly Export Earnings per Job*

*Source: Brookings-Battelle Clean Economy Database (2011) and Moody's Economy.com*

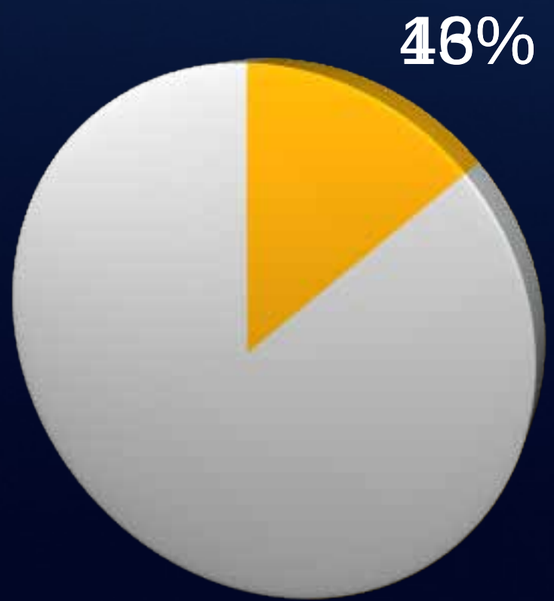
**Economic Performance**
2010-2011

- Highest Performing Metros
- Lowest Performing Metros

*Source: Istrate, Berube & Nadeau, "Global MetroMonitor 2011"*

# Exports Drove 46 Percent of GDP Growth Between 2010 and 2011

Exports Share of GDP Growth
2010-2011




**United States**

*Source: Brookings analysis of Bureau of Economic Analysis data*

# Growth in Exports Can Support Job Creation in the U.S.

**600,000**

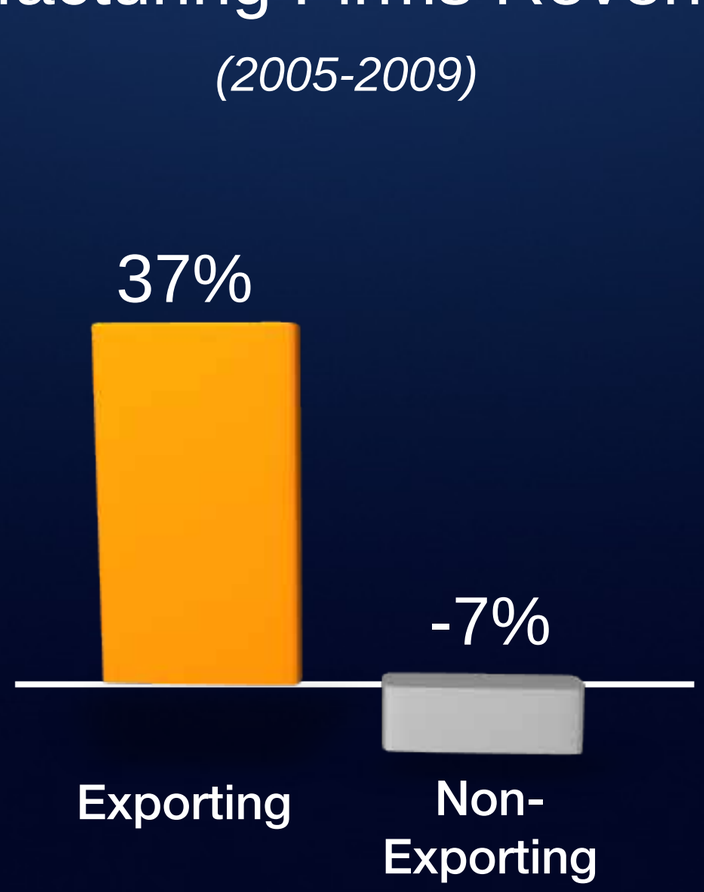
number of new export-supported jobs added in the U.S., 2009-2010

*Source: Michael Spence, "The Evolving Structure of the American Economy and the Employment Challenge," Council on Foreign Relations, 2011.*

# Going Global Pays Off for Small and Medium Enterprises

## U.S. Manufacturing Firms Revenue Growth

*(2005-2009)*




*Source: U.S. International Trade Commission, 2010, "Small and Medium-Sized Enterprises: Characteristics and Performance," Washington,*

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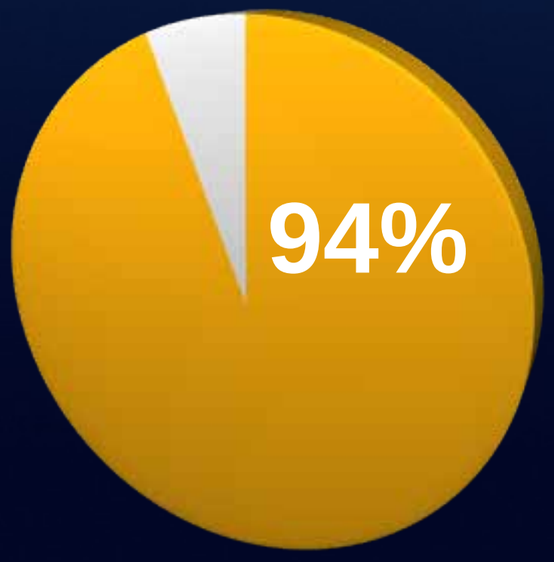
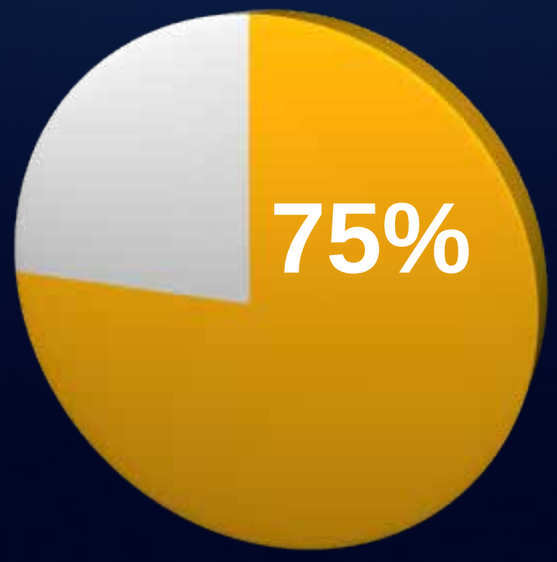
Metro areas will drive the transition to this next economy

# Metro Areas Hold the Bulk of the Assets That Will Drive the Next Economy

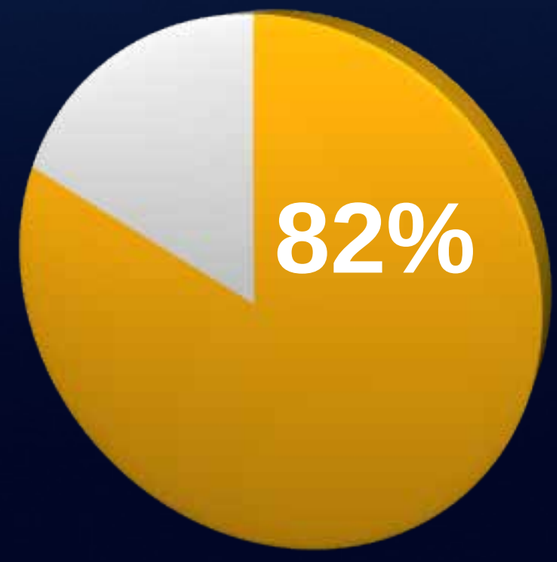
## Venture Capital
*Top 100 Metro Share*




## Service Exports
*Top 100 Metro Share*




## Air Freight
*Top 100 Metro Share*




*Source: Brookings analysis of US Census Bureau, FAA, PIERS, BLS, BEA, NIH and NSF data (2009)*

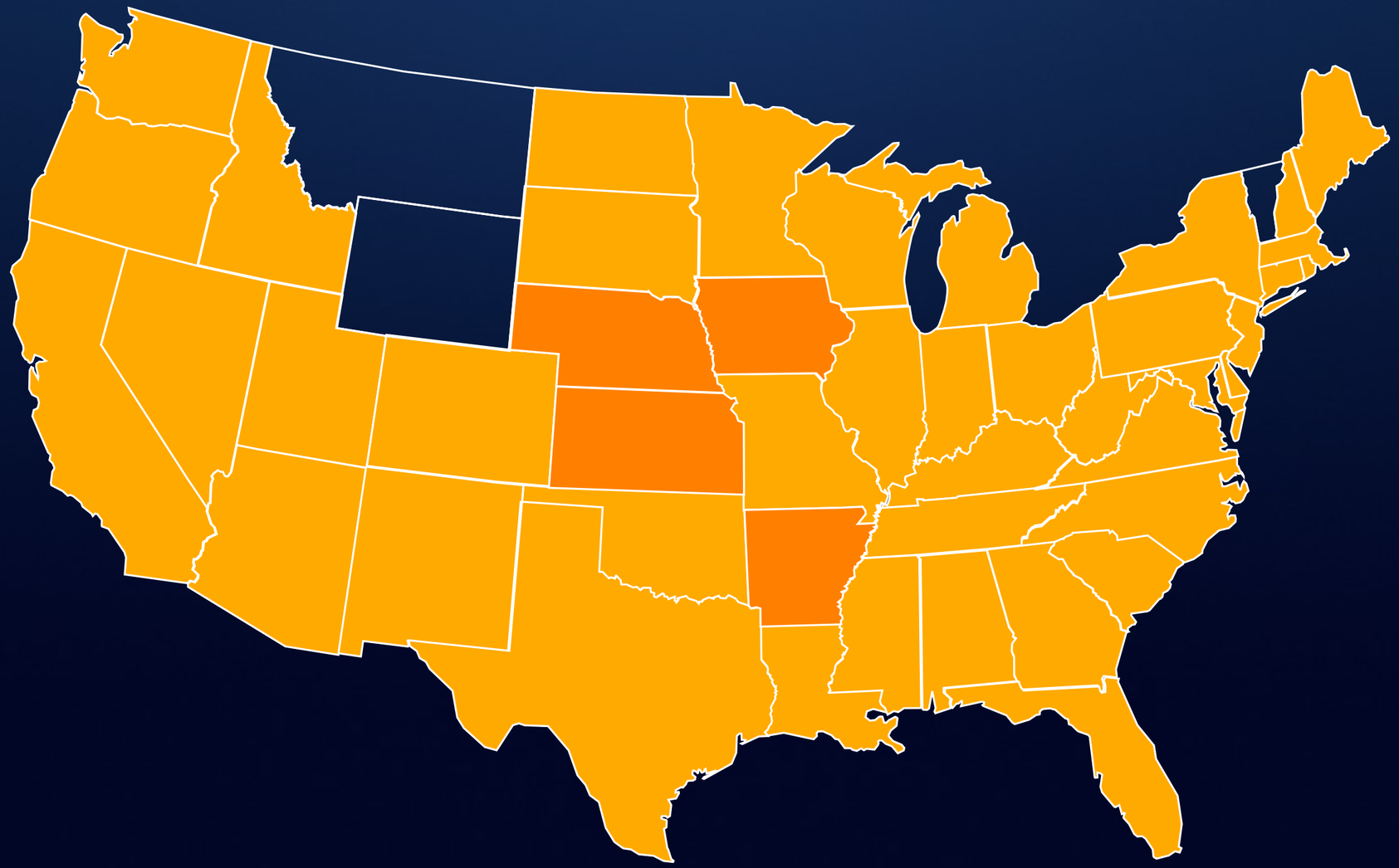
# Metro Areas Hold the Bulk of the Assets That Will Drive the Next Economy

**75%**

top 100 metro share of U.S. GDP

*Source: Brookings analysis of US Census Bureau, FAA, PIERS, BLS, BEA, NIH and NSF data (2009)*

# Metros Generate the Majority of GDP In All but Three States



*Source: Brookings analysis of US Bureau of Economic Analysis data*

# Metros Areas Drive Exports in 30 States

# Metro Areas Also Generate a Moderate Share of Agricultural Exports

**23.4%**

top 100 metro share of U.S. agriculture exports (2010)

*Source: Brookings analysis of US Census Bureau, FAA, PIERS, BLS, BEA, NIH and NSF data (2009)*

# Export Activity Varies by Metropolitan Areas

| | Chicago | San Antonio | Jacksonville |
|---|---|---|---|
| **Export Volume** (2010) | **$53.9** (3rd) | **$6.7** (42nd) | **$4.0** (60th) |
| **Export Intensity** (2010) | **10.9%** (34th) | **7.9%** (79th) | **6.7%** (90th) |
| **Export Growth** (2009-2010) | **11.8%** (34th) | **15.5%** (7th) | **7.9%** (83rd) |

*Sources: Emilia Istrate, "Export Nation 2012," Brookings*

# Manufacturing Performance Can Explain Some Export Trends

| | | | |
|---|---|---|---|
| **Manufacturing Jobs** (2010) | **403,605** (2nd) | **44,101** (45th) | **26,881** (70th) |
| **Manufacturing Share of Total Jobs** (2010) | **9.4%** (32nd) | **4.9%** (85th) | **4.5%** (90th) |
| **Manufacturing Job Growth** (Q12010-Q42011) | **2.3%** (45th) | **6.0%** (20th) | **-1.4%** (81st) |
| | **Chicago** | **San Antonio** | **Jacksonville** |

*Sources: Howard Wial, Locating American Manufacturing," Brookings.*

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Sister Cities can help their cities and metro areas globalize their economies

“We set a new goal: We will double our exports over the next five years, an increase that will support two million jobs in America.”

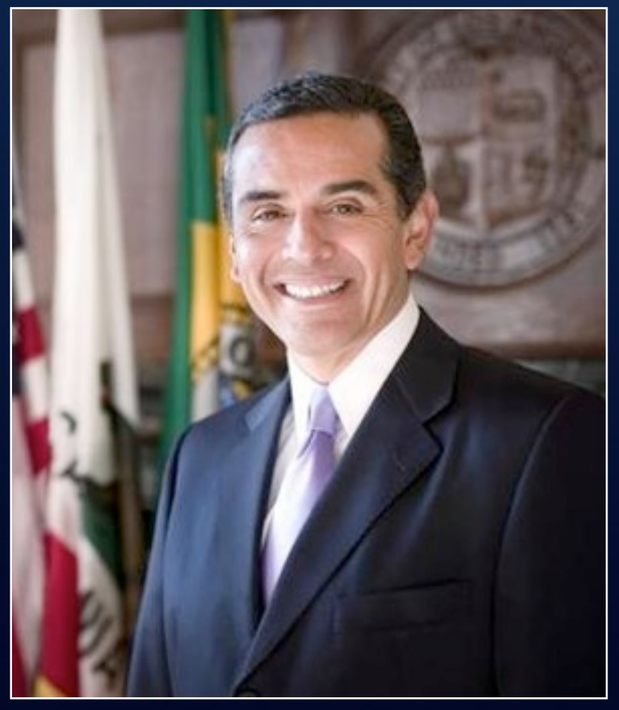
**President Obama**
*January 27, 2010*

*Photo: Pete Souza, The White House*

GREATER PORTLAND EXPORT PLAN
MINNEAPOLIS-ST. PAUL EXPORT PLAN
CENTER STATE NEW YORK EXPORT PLAN
LOS ANGELES REGIONAL EXPORT PLAN

The United States Conference of Mayors

# “Export Ready” Challenge



Antonio Villaraigosa
**Mayor, Los Angeles**
**Former President, USCM**

Rahm Emanuel
**Mayor, Chicago**

“We can grow high-paying jobs in global industries throughout the City by expanding our exports...”

*Press release announcing a Chicago Export Strategy to double SME exports in the next 5 years*
*(April 13, 2011)*

Greg Fischer
**Mayor, Louisville**

Jim Gray
**Mayor, Lexington**

"There is opportunity for growth in both cities...Lexington and Louisville already have some strong exporters but we believe that a strategic focus will lead to new jobs for our entire Commonwealth."

*Mayor Jim Gray*

*Press release announcing goal to increase the number of companies that export by 50% within 5 years (June 6, 2012)*

GREATER PORTLAND EXPORT PLAN
MINNEAPOLIS-ST. PAUL EXPORT PLAN
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MINNEAPOLIS-ST. PAUL EXPORT PLAN

CENTER STATE NEW YORK EXPORT PLAN

**Goal:** Double exports in the next five years

**Target industries:** computers and electronics, clean technology & innovation

**Strategies:**

GREATER PORTLAND INC

1. Leverage primary exporters in computer and electronics

PDC | PORTLAND DEVELOPMENT COMMISSION

City of Portland Mayor's Office

2. Catalyze under-exporters in manufacturing

METRO

PORT OF PORTLAND

3. Improve the export pipeline for small business

PORTLAND BUSINESS ALLIANCE

OBC Oregon Business Council

4. "We Build Green Cities" - brand and market Greater Portland's global edge

GREATER PORTLAND EXPORT PLAN

LOS ANGELES REGIONAL EXPORT PLAN

MINNEAPOLIS-ST. PAUL EXPORT PLAN

CENTER STATE NEW YORK EXPORT PLAN

**Goal:** Bolster trade with Canada, build export capacity of smaller firms and double exports in 5 years

**Target industries:** advanced manufacturing, semiconductors and nanotechnology, health and education

**Strategies:**

1. Increase export activities of the region's top exporters
2. Build export capacity of small- and medium-sized enterprises (SMEs)
3. Expand exports of the region's key services industry

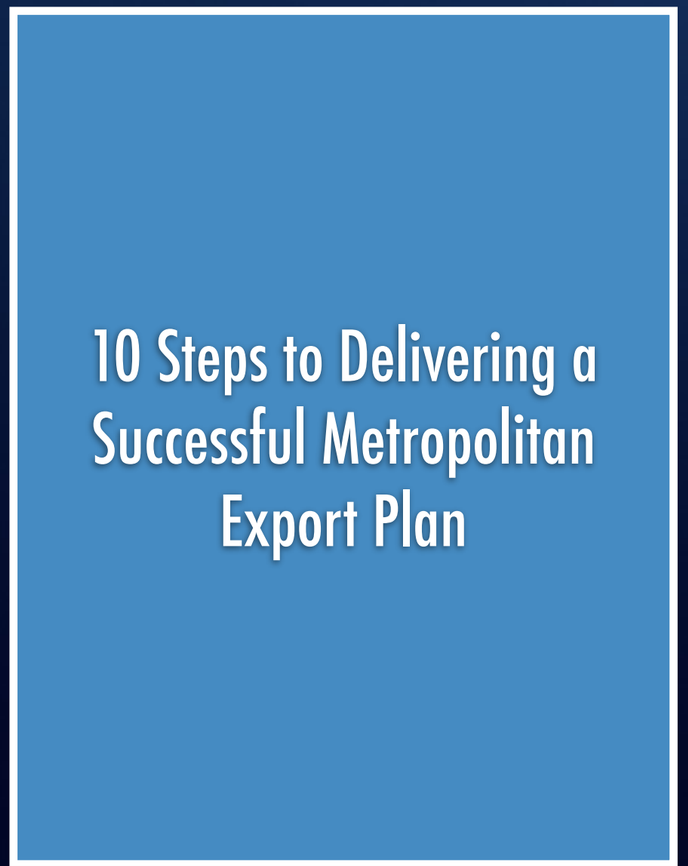
CENTERSTATE CORPORATION FOR ECONOMIC OPPORTUNITY

Empire State Development

mohawk global LOGISTICS

Syracuse University

# A New 10 Steps Guide Is Designed to Help Metros Deliver Their Own Export Plans




- Go Metro to Go Global
- Organize the Planning Process
- Produce a Data-Driven Market Scan
- Develop a Customized Export Plan
- Identify and Promote Policy Priorities

**July 2012**

City
State
Federal

Business/Civic Alliance
Industry

University

Ports
Airports
JAXPORT
HORIZON PRODUCER

# Exports Should Be Part of a Larger Global Engagement Strategy

Innovative U.S. Products & Services

Freight & Infrastructure

**GLOBAL ENGAGEMENT**

Skills to Support Innovation

Exports & FDI

Immigrant Talent/ Cultural Fluency

# There Are Other Ways for Metro Areas to Be Globally Engaged

CHINASF
旧金山市驻华办公室

USC University of Southern California

Antioch

Tyre

Baghdad

Tehran

Samarkand

Lanzhou

Xi’an

Delhi

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