



Metropolitan Policy Program at BROOKINGS

CONTACT:

Rachel Harvey, 202-797-6073, rharvey@brookings.edu

Grace Palmer, 202-797-6231, gpalmer@brookings.edu

Read more at: www.brookings.edu/metrofreight.

Metropolitan Areas Lead U.S. \$20 Trillion Trade Market

First-Ever Measurement Reveals Enormous Domestic Market and High-Value International One

WASHINGTON, D.C. –Among the top 100 metropolitan areas, 85 percent of trade by value is domestic, according to a discussion paper released today by the Brookings Institution Metropolitan Policy Program as part of the Global Cities Initiative. International trade, while only 15 percent of trade by value, typically includes the most-valuable goods.

The new discussion paper, *Metro-to-Metro: Global and Domestic Goods Trade in Metropolitan America*, is the first-ever measurement of goods exchange at the subnational scale. The new data is featured in 100 individual metropolitan profiles. Brookings is releasing another paper, *Metro Freight: The Global Goods Trade that Moves Metro Economies*, which explains how goods trade contributes to metropolitan economic growth, as part of the Global Cities Initiative today. These papers are accompanied by a new video explaining the importance of metropolitan goods trade.

Metropolitan leaders previously lacked detailed data on the products their metros make and trade with others. When metro areas know what they trade with each other, they can increase their understanding of how their economies function and what infrastructure investments will support their trade networks.

“Metropolitan areas depend on each other for producing and consuming goods,” said Robert Puentes, Brookings senior fellow and report co-author. “This new research will help leaders make smarter decisions to develop more vibrant trading economies and more and better jobs.”

The research shows that all metropolitan areas run a trade surplus in at least one type of commodity, sending out more goods to other markets than they take in. With distinct economic specialties, metro areas like Omaha and Fresno have an advantage in moving agricultural products, while metro areas like Chicago and Pittsburgh generate enormous profits from metals. The largest metro areas have a particular advantage exporting advanced industry commodities, such as electronics and precision instruments, running a trade surplus of \$52 billion in these goods alone.

The paper also finds that:

- **The 100 largest metro areas are responsible for the vast majority of international trade, more than 63 percent.** International goods in these metros are typically worth \$1,934 per ton, far above the national average of \$1,170 per ton. In 84 out of the 100 metros, internationally traded goods carried a higher average value than domestically traded goods.

- **The 100 largest metro areas tend to trade more valuable commodities.** Internationally, in particular, they focus on transporting the majority of the nation’s most valuable commodities, including: precision instruments (77 percent); electronics (74 percent); machinery/tools (63 percent); and transportation equipment (61 percent).
- **Some metropolitan areas are heavily-oriented toward international trade overall.** These range from large international traders like San Jose, Houston, and Washington, to smaller metros like Wichita, Jackson, and Honolulu. These metros, which are highly globally oriented, tend to produce and consume more products in advanced industries.

This chart shows the 10 metropolitan areas with the highest share of international trade:

Rank	Metropolitan Area	International Trade Share
1	San Jose-Sunnyvale-Santa Clara, CA	35.9%
2	San Francisco-Oakland-Fremont, CA	26.7%
3	Wichita, KS	25.6%
4	Jackson, MS	24.0%
5	Houston-Sugar Land-Baytown, TX	23.9%
6	Washington-Arlington-Alexandria, DC-VA-MD-WV	23.4%
7	Poughkeepsie-Newburgh-Middletown, NY	22.4%
8	Honolulu, HI	22.3%
9	Austin-Round Rock-San Marcos, TX	22.3%
10	Bridgeport-Stamford-Norwalk, CT	22.0%

“There’s not a single metro with the same trade story as another,” said Adie Tomer, Brookings associate fellow and report co-author. “When policies only gauge trade at the national level, they miss the opportunity to support significant regional variety in goods exchange.”

These two papers are the first of several new research products Brookings will release that expand the understanding of how goods trade contributes to metropolitan economic growth and the role freight plays in facilitating economic growth through trade. Future reports will focus on specific freight transportation modes and specific trading relationships between U.S. metropolitan areas as well as their global counterparts.

*Launched in 2012, the **Global Cities Initiative** is a five-year joint project of Brookings and JPMorgan Chase aimed at helping city and metropolitan leaders become more globally fluent by providing an in-depth and data-driven look at their regional standing on crucial global economic measures, highlighting best policy and practice innovations from around the world, and creating an international network of leaders who ultimately trade and grow together. For more information please visit <http://www.brookings.edu/projects/global-cities.aspx>.*

The Metropolitan Policy Program at Brookings provides decision-makers with cutting-edge research and policy ideas for improving the health and prosperity of metropolitan areas, including their component cities, suburbs, and rural areas. To learn more, please visit: www.brookings.edu/metro. Follow us on Twitter at www.twitter.com/brookingsmetro.

###