

PROFILE FOR

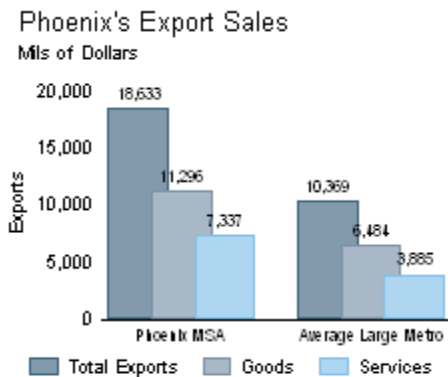
Phoenix-Mesa-Scottsdale, AZ MSA

Why Exports Matter to the Country, And Why Metros Matter to Exports

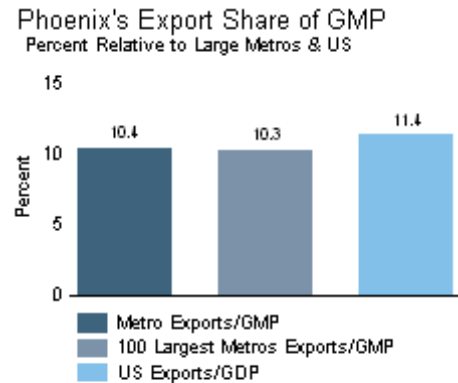
Even before the devastation wrought by the Great Recession, the U.S. economy was struggling against substantial structural weakness. Despite periods of rising prosperity, the last three decades have been characterized by middle- and lower-income wage stagnation; a lack of job opportunities for those without college degrees; and a speculative bubble-inducing trade deficit. A significant increase in U.S. exports could dramatically improve each of these conditions. Because metro areas are where over 83 percent of U.S. exports are produced, strategies to enhance their unique concentrations of industry clusters and specific competitive advantages would greatly strengthen national export performance.

Phoenix's Unique Export Profile

Phoenix produces \$18.6 billion in total exports. As a share of its total economy, 10.4 percent of what it produces was exported in 2008, supporting 152,435 jobs. Recent export growth in Phoenix has been tepid, expanding at just 3.5 percent. Average wages in its largest export industry were \$85,395, much higher than U.S. average. The metro has 5 export industry clusters. Finally, its major export industries are Computer and Electronic Product Manufacturing, Transportation Equipment Manufacturing, Tourism, Business, Professional, and Technical Services, and Royalties from Intellectual Property.



Brookings Institution analysis of various data for Phoenix-Mesa-Scottsdale, AZ MSA



Brookings Institution analysis of various data for Phoenix-Mesa-Scottsdale, AZ MSA

AT A GLANCE

EXPORTS ANNUALLY

\$18.6 billion
(Rank 15)

EXPORT SHARE OF GMP

10.4%
(Rank 50)

EXPORT JOBS

152,435
(Rank 14)

Phoenix's Key Export Indicators For 2008

	Metro	Metro Rank ¹	100 Largest Metro Areas	United States ²
Exports (in blns USD)	18.6	15	1,037	1,609
Exports as a share of GMP	10.4	50	10.3	11.4
Number of export-related jobs	152,435	14	7,688,744	11,854,390
Percent annual growth rate of exports, 2003-2008 (inflation adjusted)	3.5	94	8.7	9.2
Average wages in leading export industry ³	\$85,395	21	\$66,449	\$45,563*
Number of export clusters ⁴	5	71	6.7	N/A
Percentage of exports sold to Brazil, India and China	9.2	17	8.6	8.8

Source: Brookings analysis of Moody's Economy.com, the Institute of International Education (IIE), the Internal Revenue Service (IRS), the United States Bureau of Economic Analysis (BEA), the United States Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wage (QCEW) and Integrated Public Use Microdata Series (IPUMS) (for metro industry wages), and the United States International Trade Commission (USITC) data. GMP refers to Gross Metropolitan Product. 1. A rank of 1 signifies the highest value among the 100 largest metropolitan areas. 2. The export values for the United States refer to U.S. domestic private exports, excluding scrap materials and used merchandise. 3. Data for individual metros refer to the leading exporting industry by value; data for the largest 100 metros refer to the average large metro's wage in its leading export-industry (using QCEW and IPUMS); *data for the US refer to all industries as reported by the QCEW. 4. An export industry is defined as clustered in a metropolitan area if its export value is at least 50 percent larger as a share of the metro economy than the industry's exports are relative to the U.S. economy.

Phoenix's Export Markets For 2008

Largest Export Markets Based on Metro Industry Composition	Value of Metro Exports (in mils USD)
Canada	2,692
Mexico	1,435
UK	1,358
Japan	1,187
Germany	963
Largest U.S. Export Markets for Top Metro Export Industry—Computer and Electronic Product Manufacturing	Value of Metro Exports (in mils USD)
Mexico	447
Canada	438
China	371
Malaysia	226
Germany	224

Example Export Companies

Intel
 American Italian Pasta Company
 ST Microelectronics
 SUMCO Southwest Corp.
 Microchip Technology

Sources: ITA Foreign Trade Zones, Journal of Commerce, local chambers of commerce

BROOKINGS

1775 Massachusetts Avenue, NW
 Washington D.C. 20036-2188
 telephone 202.797.6139
 fax 202.797.2965
 web site www.brookings.edu/metro