

Regional Exporting Strategies: Approaching Regional Economic Development with a Global Mindset

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The global economy is more integrated than ever... If we're going to grow, it's going to be because of exports.

President Barack Obama
November 12, 2011

Export Market Growth Potential

- Local and regional growth in the global economy is directly tied to exports.
- Export growth potential at national level
 - <1% of U.S. companies currently export.
 - 58% of exporters only operate in 1 country.
 - Must take strategic steps to capture this huge potential.

Top 5 Markets for U.S. Exports

Country	Export Value, Billions, 2012	% Change from 2011
Canada	\$ 291.8	4%
Mexico	\$ 216.3	9%
China	\$ 110.6	6%
Japan	\$ 70.0	7%
UK	\$ 54.8	-2%

Source: TradeStats Express, U.S. International Trade Administration

Export Market Growth Potential

- U.S. Exports
 - U.S. exports totaled a record \$2.2 trillion in 2012
 - Up 5% from 2011
 - 13.9% of U.S. GDP
- Where's Michigan?
 - Michigan exports totaled \$52.9 billion in 2012
 - Up 12% from 2011
 - 15% of Michigan GDP
 - Michigan exports reflect high level of integration in auto manufacturing.

Top 5 Markets for Michigan Exports

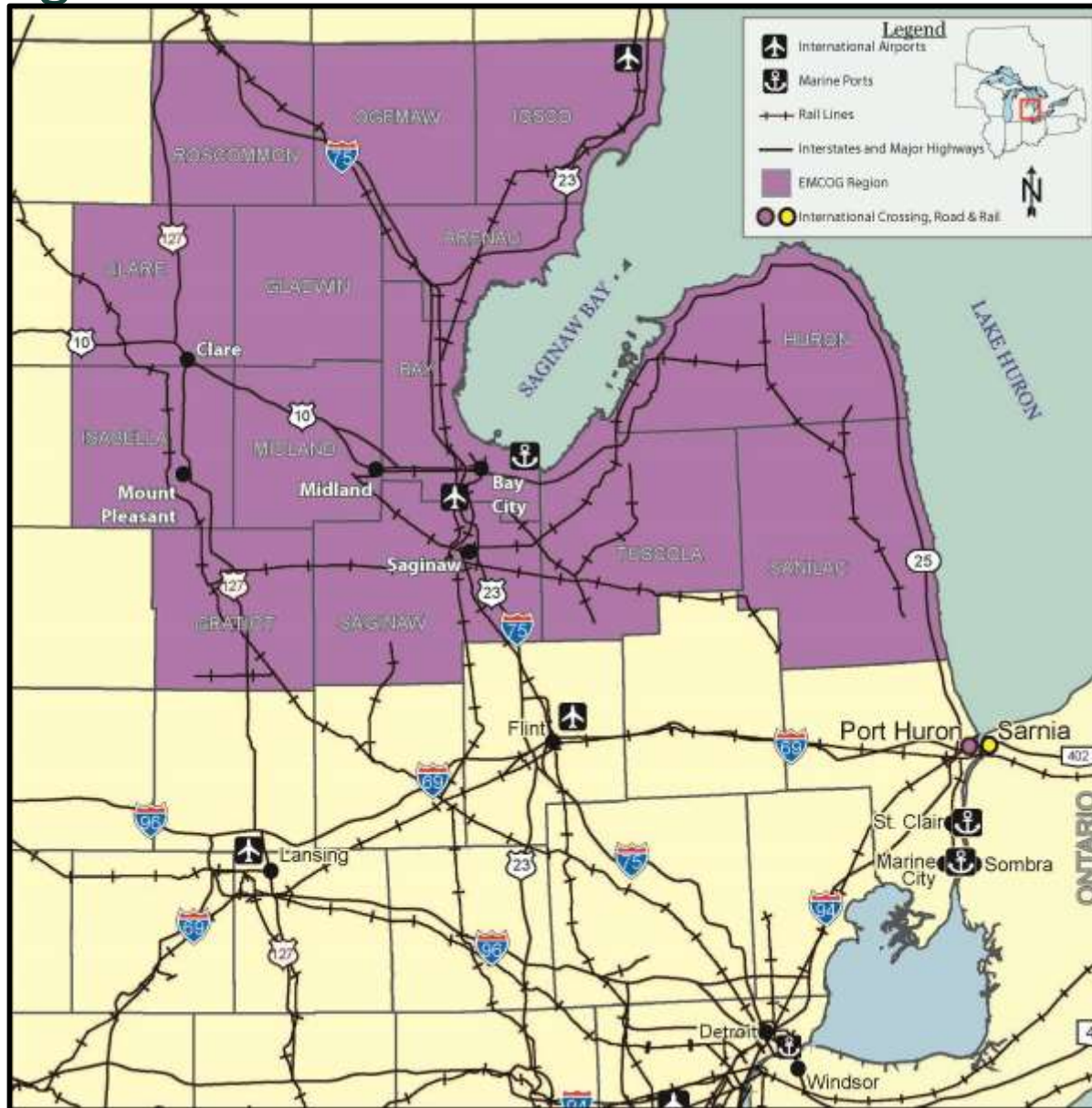
Country	Export Value, Billions, 2012	% Change from 2011
Canada	\$ 25.3	7%
Mexico	\$ 10.5	17%
China	\$ 3.3	21%
Germany	\$ 1.9	10%
Saudi Arabia	\$ 1.8	54%

Source: TradeStats Express, U.S. International Trade Administration

Our Current Project

- MSU CCED collaborated with East Michigan Council of Governments (EMCOG), the Eastern Upper Peninsula Regional Planning and Development Commission (EUPRPDC), and the St. Clair County Economic Development Alliance to develop regional export strategies to:
 - Identify assets
 - Align resources
 - Prioritize infrastructure investments
 - Identify/reduce barriers
 - Raise knowledge of export opportunities.

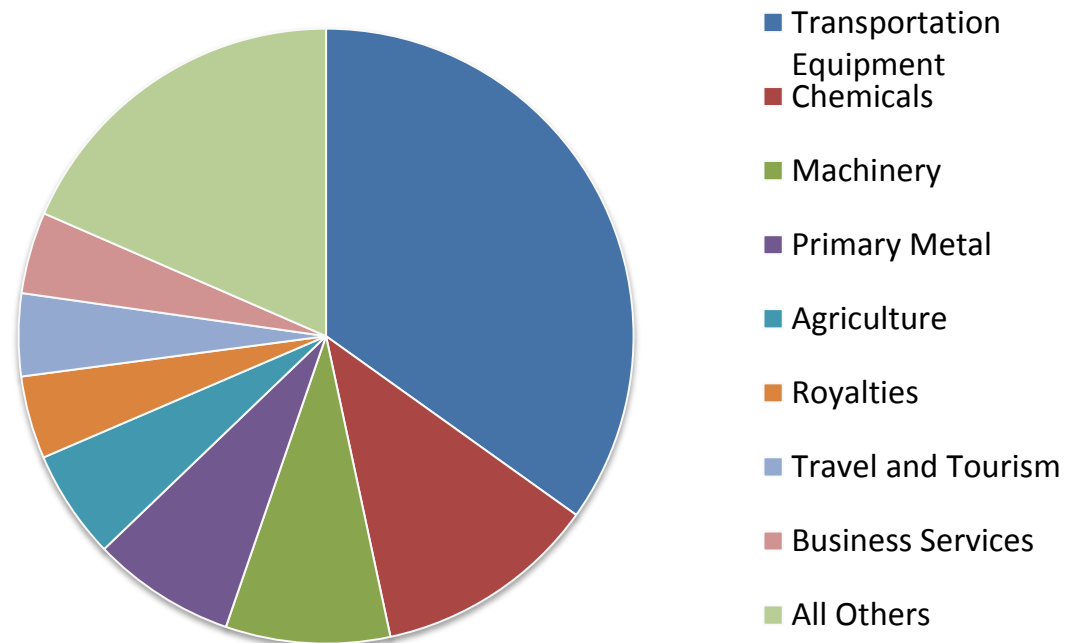
East Michigan



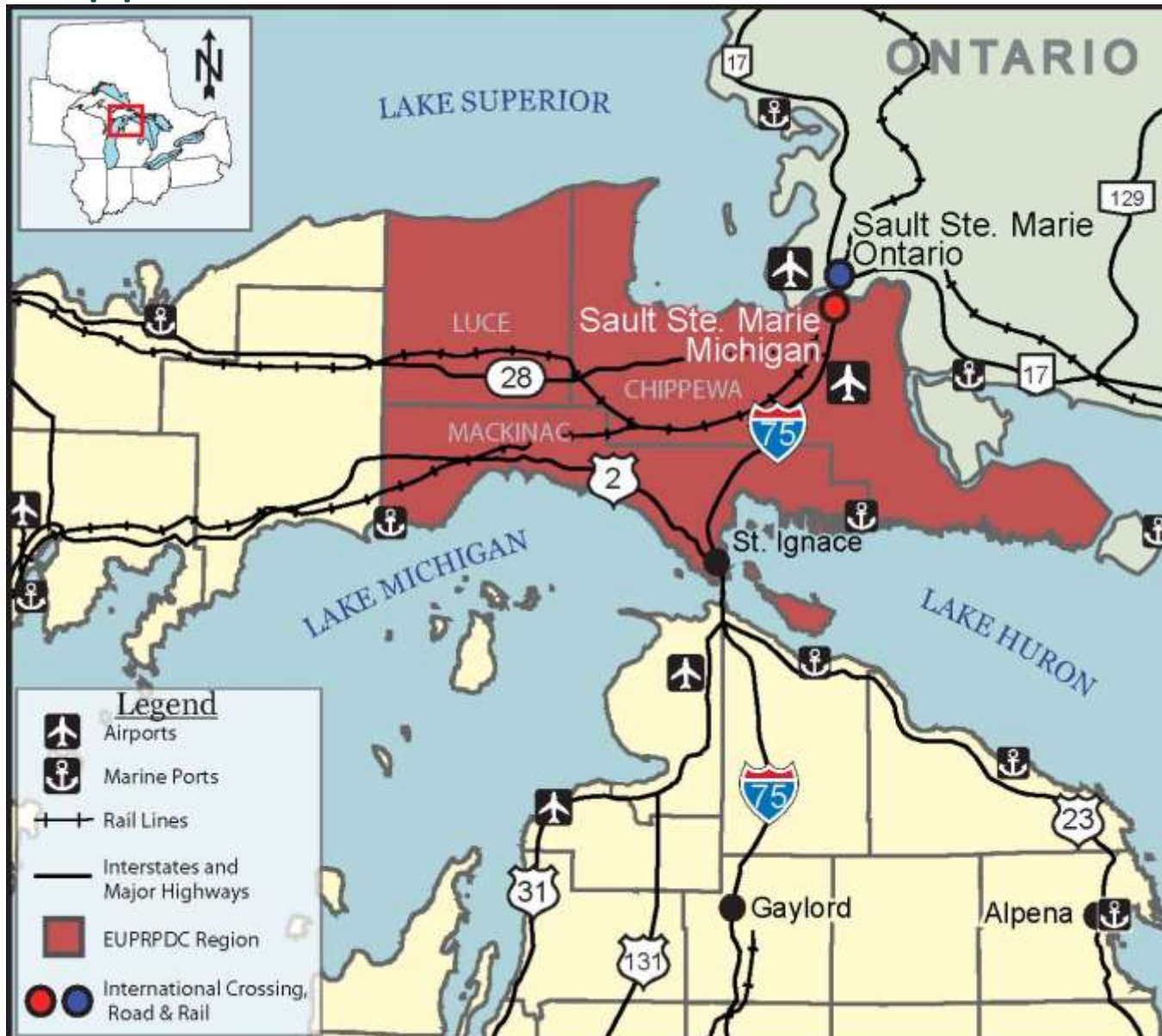
East Michigan Exports

- EMCOG exports totaled \$4.13 billion in 2010
 - Latest county-specific federal data available is 2010
 - Regional GDP est. \$25.9 billion
 - Exports 15.6% of est. regional GDP

EMCOG Exports, 2010

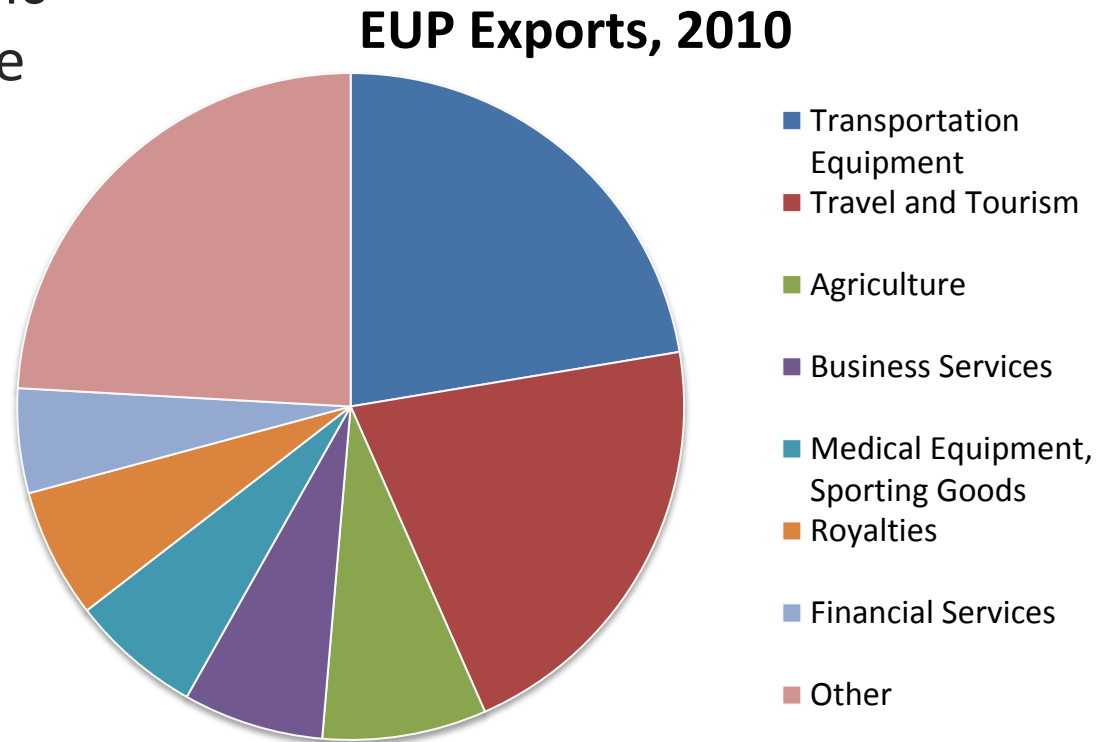


Eastern Upper Peninsula



Eastern Upper Peninsula Exports

- EUP exports totaled \$98.2 million in 2010
 - Latest county-specific federal data available is 2010
 - Regional GDP est. \$1.96 billion
 - Exports 5% of est. regional GDP



2011 Online SME Regional Exporting Survey

Major Findings

- Exporting is a positive experience for nearly all exporters.
- Exporters are often engaged in “reactive” exporting.
- Lack of awareness of available resources exists.
 - Resources helpful when used.
- SMEs perceive serious exporting barriers.
- Needs include:
 - Marketing assistance
 - Logistics help
 - Market research
 - Legal advice
 - Export finance assistance

Export Strategy Elements

1. Assess the regional export infrastructure.
2. Create and retain export-related jobs.
3. Leverage university/community college resources to assist in regional planning and SME exporting.
4. Mainstream exports/Demystify exporting.
5. Upgrade/modernize existing trade transportation infrastructure to support and enhance exporting.

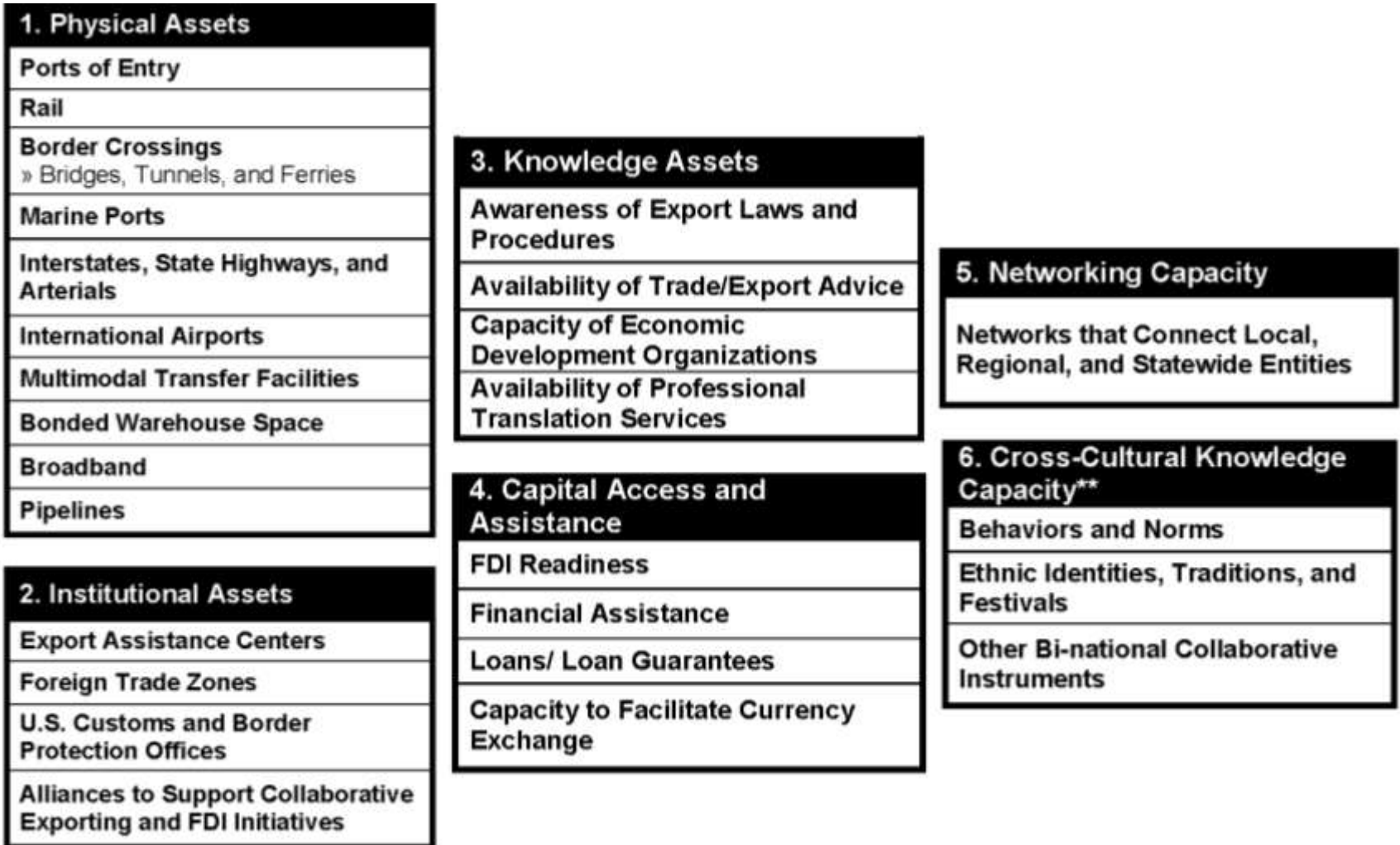
Export Strategy Elements (cont.)

6. Develop a global mind set and promote multi-cultural awareness in the region.
7. Develop and promote a regional identity on a global scale.
8. Revitalize or obtain U.S. Foreign Trade Zone designation.
9. Create a strong foreign direct investment (FDI) strategy to attract innovative firms that fill gaps in key manufacturing clusters.
10. Build and maintain strong bi-national collaborative relationships with border and near-border regions.

Considering Tourism in the Export Strategy

- Tourism can be a service export.
 - Foreign individuals bringing money into the domestic economy.
 - Mackinac Island, Great Lake coasts, sand dunes, culinary tourism (Michigan breweries, wineries, and specialty crops), Detroit arts and sports.
- Understanding unique cultural assets in an exporting context.

Regional Export Infrastructure Assessment



Preliminary Elements of a Supply Chain/Logistics Hub Strategy

1. Identifying freight transportation and logistics assets and needs.
 - Assets reviewed in developing the Export Strategy with the Regional Export Infrastructure Assessment.
2. Creating partnerships to develop and implement supply chain/logistics hub strategies.
 - Important partners include appropriate state and local agencies, educational institutions, and private sector stakeholders.

Preliminary Elements of a Supply Chain/Logistics Hub Strategy (cont'd)

3. Responding to shifts in global supply chains.
 - Panama Canal Expansion, shift towards the Suez Canal, and rising economies (Indonesia, Vietnam, Thailand, and Taiwan)
4. Identification of specific projects in the CEDS process to support supply chain/logistics hub strategies.
 - Using a global lens in evaluating CEDS projects.
 - Identifying projects with high value-added potential.
 - Project choices informed by private sector input & review.

Bi-National Regional Collaboration Conferences

- 2012 Conference on Bi-National Regional Economic Development Collaboration
 - Twin Saults – Sault Ste. Marie, MI and Sault Ste. Marie, ON
 - Included Panels on:
 - Alternative Energy
 - Multi-Modal Logistics
 - Higher Education
 - Business Roundtable
- Second annual Twin Saults conference October 31, 2013.
- Bi-National Blue Water Region Conference, Fall 2013.

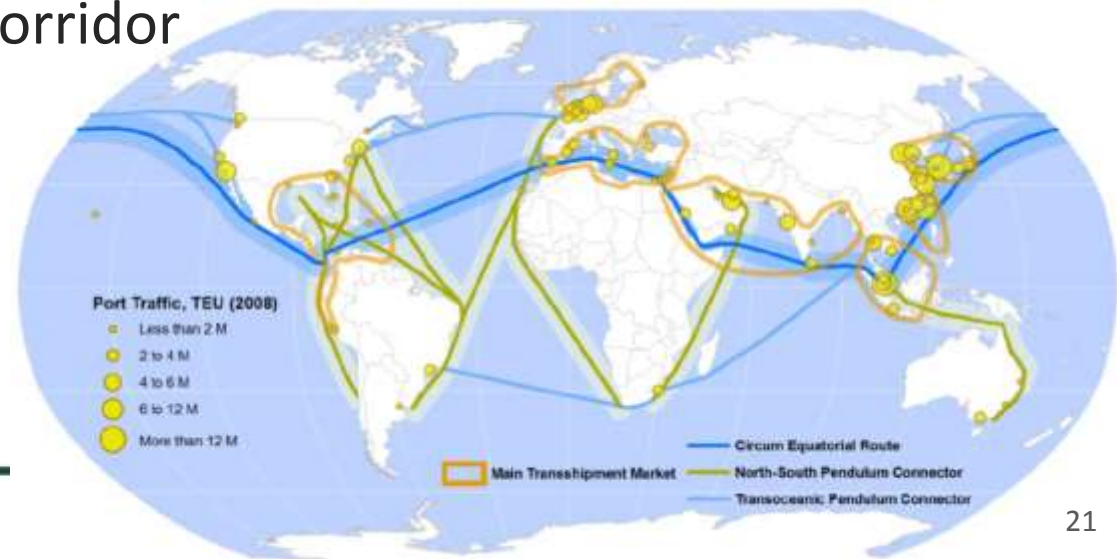
Current Research

- I-69 International Trade Corridor requested an assessment of the impact of the Panama Canal expansion on Michigan.
- Understanding the regional economy in context of global economic shifts.



Global Trade and the Panama Canal Expansion

- Findings and considerations include:
 - Shifting trade routes in favor of the Suez Canal
 - Transportation infrastructure, e.g., CN Rail connection to Port of Halifax.
 - Importance of Toronto-Windsor/Detroit-Sarnia/Port Huron-Chicago Corridor



Export Resources

- Export-Import Bank of the U.S.
 - Exim.gov
- U.S. Export Assistance Centers
 - Export.gov
- U.S. District Export Councils
 - districtexportcouncil.com
- MSU CCED Regional Exporting Strategies Project Website
 - Knowledgeplanning.org

Thank you!

Feedback and Questions are Welcome!

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