Exporting Cities in the Global Economy

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President, CenterState CEO
• 95% of the world’s customers are outside our borders
• Growing worldwide middle class
• In 2010:
  o U.S. exports grew by 11%
  o Syracuse MSA exports grew by 10.3%
Population (2010) 12 Counties = 1,483,411
Population (2010) 3 County MSA = 646,084
Output 2009 = $3.24 billion
Employment Syracuse MSA = 320,720

Key Industry Sectors: Clean Energy, Sensing Technologies, Healthcare and Biosciences, Financial Services, Advanced Manufacturing, and Agribusiness
Metropolitan Export Initiative

- Started in **2011** in collaboration with the **Brookings Institution**
- **Syracuse is one of four** MEI pilot cities – Los Angeles, Minneapolis-St. Paul and Portland
Exports account for less than **one tenth of the region’s economy** (United States = 11.4%, top 100 metros 10.3%)

In 2008, **two-thirds** of CNY’s exports were in **goods**, **one-third in services**

Export jobs were highly concentrated in goods (of 30,470 total jobs, 82.3% in goods, 17.7% in services)

Exports for each goods’ producing worker = $95,519

Exports for each service producing worker = $222,078

Services 2.3x more productive than goods

75% of Syracuse exports come from **ten industries** (6 of them are manufacturing clusters)
• For every $1 billion in increased export sales, more than 5,000 jobs are created.

• Doubling exports in the Syracuse metro – from $3.3 to $6.6 billion – offers the potential to create 18,000 net new jobs.

• Better paying jobs - for every $1 billion in exports of a metro area industry, workers in that industry earn roughly 1 to 2% higher wages.

• Exporting has the potential to increase competitiveness of manufacturers in region - small and mid-sized manufacturers who...
Metropolitan Export Initiative – Core Strategies

- Increase export activities of region’s existing top exporters
- Build export capacity of small and medium-sized enterprises
- Expand exports of key service providers
In 2013, regional partners revived the **Central New York International Business Alliance (CNYIBA)** to support implementation of the region’s export plan and to deliver export assistance activities.

**CNYIBA provides tailored support to businesses:**

- Marketing the opportunity – educating businesses on the potential growth exporting offers
- Export “one-stop shop”
- Direct consultative services
- Peer mentoring and tag-a-long program
- Education and training
- Overseas missions
• Increase in total foreign sales and goods/services shares
• Export as a % of GMP
• Employment generated by exports
• Output per export job
• Wages of export industries
• New markets entered by existing exporters
• Increase number of companies that export
• Number of companies in mentoring programs
• Services sold to foreign residents
Progress

- **24.3% increase** in regional exports since 2009

- In **2009, 9.2%** of the region’s economic output came from exports, which grew to **13.7% in 2012** and continues to trend upwards

- In 2013, CEO met with **100** regional companies looking to begin or expand their exports

- Connecting with all industry sectors across 12 counties

- Building resources and connections to improve export sales
Success – Prominent Defense Contractor

- **1,000 employees**  
  (650 of whom are in CNY)
- Developed new commercial products for export
- **ZERO** in export sales to **$3 million** in one year
- Potential of **$8M/year** through exporting
• Roughly **25 employees**
• Located in small rural Upstate community of **2,000 people**
• Female, family owned, 60 year old business
• Sells 40 flavors of ice cream/frozen yogurts including wine ice cream to more than **12 countries**
• Revenues are now **$7-8M/year** through exporting
• Doubled its exports in the last four years from $35.5 million to $69.8 million driving a $20 million, 64,000-square-foot expansion while creating 40 new positions and helping the company retain 240 jobs

• Sales total $130M a year from its facility in CNY, 70% of which is exported

• Exports to more than 50 countries
Lessons Learned

- Almost all businesses are global businesses
- Encouraging SME’s to make exports a strategic priority is challenging
- At regional and national level this is as much about changing culture as it is business practice
• Between 1990 and 2008 tradeable sectors in the US grew by 2%

• 83% of economic growth is projected to occur outside the US over the next 5 years

• By 2020 global middle class consumption is projected to more than double to $34 trillion
Questions?