TRADE AND INTERNATIONAL INVESTMENT

Concentrating on our catalytic project, cross-laminated timber (CLT), we aim to increase exports of value-added advanced materials as well as growth in the machinery and technology needed for the production of this new building material.

In the PNMP region, there are several planned CLT structures. By increasing our CLT production capacity, we can shift from needing to import the wood products to producing it locally, and thus exporting it from the PNMP region and growing US exports. Our challenge is boosting the PNMP region’s small and medium size companies export sales and expanding foreign direct investments (FDI) opportunities. We seek to create cohesive trade and investment plans that address key barriers to exporting and attracting foreign direct investment.

Current Capability

The PNMP region is a major exporter, generating $28.8 billion in exports in 2013, an increase of 74 percent from 2005. Computer and electronic products is the leading export industry with $6.7 billion in exports, accounting for 60 percent of exports in the region. Other advanced manufacturing sectors leading in exports are machinery ($2.4 billion), transportation equipment ($1.5 billion), and chemicals ($1.1 billion). The supply chain for the manufacturing of wood products is demonstrated by the strong levels of wood products exported to foreign countries. Wood products exports have increased from $466.9M in 2008 to $525.7M in 2012. Similarly, paper exports grew from $419.5M in 2008 to $450.1M in 2012.

In large part because of a concentration in computer and electronic products, the Portland metro is the region’s export powerhouse, ranking as 11th highest among major metropolitan areas as a percentage of GDP according to the Brookings Institution. Nearly one-fifth of the Portland area’s regional economy is generated by exports.

Current Institutions and Existing Programs for Improving Capacity

Business Oregon invests in programs to assist small and medium sized companies to start exporting or increase export sales. The State’s Trade Team comprises four Oregon-based global trade specialist and representative offices in Japan, South Korea, China and the European Union. It administers two grant programs — the State Trade and Export Program (STEP) and the Oregon Trade Promotion Program (OTPP) — which are awarded to small businesses to offset the costs of qualified international marketing activities such as trade shows, partner matching programs and trade missions. A key export partner is the U.S. Department of Commerce’s Export Assistance Center (USEAC) in Portland which partners with the State and other local economic development partners to expand export opportunities for Oregon and southwest Washington companies.

Business Oregon helps plan and execute trade missions led by the Governor and other private and public partners to Asia, Europe and, increasingly, to emerging markets, such as Brazil. The State of Oregon, through targeted and coordinated efforts with the PDC and the cities of Hillsboro, Eugene, and Salem, has successfully recruited major Japanese and German electronics
firms (Toshiba Semiconductor, Komatsu, Sony, SEH, On Semiconductor) since the early 1990s and more recently, clean technology companies from Japan and Germany. Another major foreign investor is Daimler Trucks North America, one of the largest private sector employers in the Portland region and the largest FDI employer in the state.

In 2011, the Greater Portland region was selected by the Brookings Institution to participate in its Metropolitan Export Initiative. The Greater Portland Export Initiative has brought together local, regional, state and federal trade and economic development partners to assist companies so as to expand the region’s export capabilities and export sales.

In 2014, the Greater Portland region was selected to participate in the Brookings’ FDI pilot project. The goal of the project is for Greater Portland to secure and strengthen its long-term position as a competitive, sustainable, and globally integrated economic region through an intentional focus on regional economic growth, cluster development, exports and foreign direct investment.

Economic development organizations collaborate to support business expansion and recruitment of global investment within our region. Team Oregon Technology & Advanced Manufacturing groups have contracted with a third party, ROI Staffing, a recruitment generation company, to generate qualified leads from targeted companies attending the world’s largest advanced manufacturing trade show in Hannover, Germany. Other promotion efforts include marketing Oregon to recruitment prospects within our Key Technology Industries priority areas.

The PDC has played a significant role in exporting Portland’s expertise in sustainable development using the We Build Green Cities. This Export Initiative promotes companies’ expertise in green building, infrastructure, recycling, energy efficiency and renewable energy and Clean Tech industries to prospective foreign customers.

**Gaps**

There are several gaps we will address with our partners.

**Foreign Direct Investment.** The region has benefitted in the past from major Japanese and European investments in the PNMP region, but only ranks 50th in foreign-owned establishment employment per capita among major metropolitan areas according to the Brookings Institution. There has not been a comprehensive foreign in-bound investment strategy until the recent launch of Greater Portland Global.

**Export assistance funding.** While the Greater Portland Export Initiative made progress, there is an ongoing struggle for sufficient funding to implement tactics to further boost exports.

**Small and medium firms need assistance.** Our region has a high portion of small and medium-sized firms that are often unaware of opportunities for trade or investment or grant programs that can help them attend trade shows.
Plans

1. Greater Portland Global. Greater Portland has launched a Global Trade and Investment Plan to boost exports and FDI. When implemented, partnership members will be able to capitalize on this strategy, market analysis, data, and efforts to bring new business opportunities to the region and the state.

2. Facilitating Export Growth. For the 2015-2017 biennium, the state will expend $500,000 to support export promotion grants and assistance programs for Oregon companies:

- Market Opportunity Assessment and Market Intelligence: Advise exporters on overseas market opportunities and feasibility of global exports sales by offering targeted market and industry research in select foreign markets, due diligence checks on foreign businesses, insights into global competitors, and business protocol practices in foreign cultures.
- Matchmaking and Access to Global Markets: Assist Oregon companies looking for foreign agent/distributors, foreign customers, or joint venture partners and introducing them to Oregon’s international networks of foreign government officials, foreign companies, and foreign trade associations.
- Trade Shows and Trade Missions: Recruit Oregon companies interested in new markets or expand sales in existing markets through trade show participation. Plan and execute Governor led trade missions.
- Oregon Trade Promotion Program: Offers limited financial assistance for selected trade shows that cover targeted business/industry cluster areas. Funds allow small-sized Oregon companies to showcase their products or services in foreign markets. The program covers as much as 50 percent of a company’s eligible expenses up to a maximum of $2,500 per event.