



November 2006

Inside this Brief

- **Imports and Exports**
- **Top Export Partners and Products**
- **Role of Ports**
- **Role of State Agencies**
- **Recent Legislative Action**
- **Staff and Agency Contacts**

Legislative Committee Services
State Capitol Building
Salem, Oregon 97301
(503) 986-1813

Background Brief on ...

International Trade

Prepared by: Jim Keller

Imports and Exports

International exports and imports are vital components of Oregon's economy. One in four Oregon manufacturing jobs is linked to international trade. Oregon consistently ranks among the top 10 U.S. states in exports on a per capita basis.

In 2005, Oregon had total exports of \$12.4 billion. Oregon companies export to over 170 countries, with 55 percent of Oregon's total exports going to the state's top five export markets.

Top Oregon-export sectors in 2005 include:

- Computer and electronic products (37 percent)
- Transportation equipment (13 percent)
- Crops (12 percent)
- Machinery manufacturing (11 percent)
- Chemical manufacturing (4 percent)
- Primary metal manufacturing (3 percent)
- Paper products (2 percent)
- Wood products (2 percent)

In addition, Oregon's service economy is internationally competitive, with tourism and education helping to expand Oregon's growth. Oregon tourism earnings in 2005 totaled \$1.8 billion, while foreign students contributed over \$136 million to the state's economy in 2000-2004.

Top Export Partners and Products

Over 150 foreign companies have operations in Oregon, employing more than 20,000 Oregonians. Japan, Germany and the United Kingdom are the top three major investors in the State. Oregon's top four trading partners are Canada (\$2.3 billion in 2005), South Korea (\$1.3 billion), Japan (\$1.2 billion), and Malaysia (\$910 million), with Mexico and China tying for fifth place (\$810 million each). Since 2003, Malaysia, Mexico and China have replaced the Philippines and Taiwan as fourth and fifth. As Oregon's trading partners are diverse, so are the products exported. In 2005, the top four Oregon-export sectors based on dollar volume were: electrical machinery (\$3.3 billion), industrial machinery (\$2.1 billion), cereal grains (\$1.1 billion), and non-railway vehicles (\$1.9 million).

Role of Ports

The 23 ports along the Columbia River and the Oregon coast are essential to Oregon's import/export economy. The Port of Portland, which operates the Portland marine terminal and the Portland International Airport (**PDX**), is by far the largest.

The Port of Portland is an important import center, especially for international companies such as Toyota, Honda, and Hyundai, which ship automobiles to the United States.

Agricultural commodities, primarily wheat, are significant Oregon exports. The Columbia River comprises the world's second largest grain export system, next to the Mississippi River. More than 40 percent of the United States' wheat exports are shipped via ports on the Columbia.

Additionally, the marketing division of the Oregon Department of Agriculture (**ODA**) offers international and domestic marketing assistance for food, agricultural, and fisheries products.

Role of State Agencies

Owing to major shifts in the economy and the increased importance of international trade relationships, the Oregon Economic and Community Development Department's (**OECD**) International Trade Division, in partnership with the International Trade Commission, reviewed its mission and the role of the state in facilitating international trade.

Following this review, the International Trade Division was integrated with the Business Development Division to form OECD's Business and Trade Development Division. The new Trade Development Section is aligning itself with the state's strategy to concentrate on key industry clusters contained in the Oregon Business Plan.

Focusing on clusters with international business potential will help emphasize the global dimension of business growth in the state. The Trade Development Section will offer a range of programs and services designed to help the state's small- and medium-sized firms successfully

compete in today's marketplace. These services include working with the Oregon's overseas network in China, Japan, Taiwan, South Korea, Southeast Asia and Europe to coordinate matchmaking services and conduct market research. In addition, the international staff serves as liaison for visiting foreign diplomats and overseas trade missions. They also identify foreign trade shows and events to assist companies market their process and services in top overseas markets.

Recent Legislative Action

In 2002, House Speaker Mark Simmons and Senate President Gene Derfler led a trade mission to China. The mission, authorized by Senate Bill 16 (2001), included other legislators and business representatives, and demonstrated Oregon's interests in furthering trade with China.

The 2003 Legislature passed House Bill 2252 which altered the construct and mission of the International Trade Commission. The bill increased commission membership from nine to 15, with two legislators serving as ex-officio members. The measure also mandated specific commission membership to include representation from the Oregon Economic and Community Development Commission, the State Board of Agriculture, the board of commissioners of the Port of Portland, and the Pacific Northwest International Trade Association. Finally, the measure altered the commission's mandate to "advocate for international trade with Oregon and promote the state's international trade agenda."

The 2005 Legislature enacted House Bill 2173, which appropriated \$3.4 million for the international trade division budget of the Oregon Economic and Community Development Department.

Staff and Agency Contacts

Jim Keller, Legislative Committee Services
503-986-1644

Oregon Department of Agriculture
503-872-6600

Port of Portland
800-547-8411

International Division, OECDD
503-229-6052
<http://www.econ.state.or.us/oregontrade.index.htm>

International Trade Administration, U.S. Dept. of
Commerce
http://www.export.gov/comm_svc/

*Karen Goddin, Economic and Community Development
Department, assisted with the development of this docun*