



June 2008

## Inside this Brief

- **Imports and Exports**
- **Top Export Partners and Products**
- **Role of Ports**
- **Role of State Agencies**
- **Sister States**
- **Recent Legislation**
- **Staff and Agency Contacts**

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

Background Brief on ...

# International Trade

*Prepared by: Theresa Van Winkle*

## 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 ten states in exports on a per capita basis.

Oregon's total exports have increased from \$12.4 billion in 2005 to \$15.3 billion in 2006. Oregon companies export to over 200 countries, with 59 percent of Oregon's total exports going to the state's top 5 export markets.

Top Oregon-export sectors in 2007 included:

- Computer and electronic product manufacturing (38 percent)
- Crop production (13 percent)
- Transportation equipment manufacturing (11 percent)
- Machinery manufacturing (11 percent)
- Chemical manufacturing (4 percent)
- Primary metal manufacturing (4 percent)
- Paper product manufacturing (3 percent)
- Wood product manufacturing (3 percent)

In addition, Oregon's service economy is internationally competitive, with tourism and education helping to expand Oregon's growth.

Direct travel spending in Oregon was estimated at \$8.3 billion in 2007. Oregon tourism earnings in 2007 totaled \$2.0 billion, and were associated with secondary earnings of \$1.3 billion.

## 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 4 trading partners are Canada (\$2.7 billion in 2006), mainland China (\$1.4 billion), South Korea (\$1.3 billion), and Japan (\$1.3 billion). As Oregon's trading partners are diverse, so are the products exported. In 2005, the top 4 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, is the largest port in Oregon.

The Port of Portland is a vital import center, especially for international companies such as Toyota, Honda, and Hyundai, which ship automobiles to the United States. The Port of Portland is currently the third largest auto import gateway in the country. The Columbia River comprises the world's third largest grain export system, next to the Mississippi River, and ports on the Columbia export the largest volume of wheat in the U.S.

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

## Role of State Agencies

The Oregon Economic and Community Development Department's (OECD) International Trade Services Office, formerly the International Trade Division, helps Oregon companies - especially small and medium-sized firms - find customers abroad. The office currently has trade representatives in Japan, Taiwan, China, South Korea, and Europe and team members specialize in sectors ranging from high-tech to wood products.

The Oregon International Trade Commission, created in 1995, collaborated with the division on matters involving such areas as planning and policy initiatives relating to international trade. House Bill 2252 (2003) expanded commission membership from 9 to 15, mandated specific commission membership, and changed the commission's mandate to "advocate for international trade with Oregon and promote the state's international trade agenda." The commission was abolished in 2007 by Senate Bill 350 (see *Recent Legislation* section).

## Sister States

Oregon currently has a "sister state" relationship with the Fujian Province, People's Republic of China (1984); the Taiwan Provincial Government, Republic of China (1985); the Toyama Prefecture, Japan (1991); and Jeollanam-do Province, Republic of Korea (1996). The Legislature itself also maintains a sister relationship with Honduras (1991) and the Parliament of the German State of Lower Saxony (1991). The purpose of these relationships is to enable a wide range of activities and cooperation in areas such as business, culture, and education and also help promote economic activity and cross-cultural awareness.

## Recent Legislation

Senate Bill 350 (2007) - Senate Bill 350 stemmed from a budget note to House Bill 5164 (2005) that directed the Economic and Community Development Commission to establish a process for reviewing all of the statutory direction to OECD for consistency with the department's legislatively adopted goals and outcome measures, and further directed the effort to bring consistency between statutory provisions and legislatively adopted goals and outcome measures as well as streamlining and consolidating statutory direction. The result was a list of recommendations including statutory changes, many of which are contained in Senate Bill 350. One of the measure's provisions abolished the International Trade Commission.

Senate Joint Resolution 36 (2007) - Senate Joint Resolution 36 encouraged the Governor to designate state ambassadors to represent the State of Oregon in foreign markets and to use funds available to the Governor to reimburse the ambassadors for expenses incurred in the performance of their official duties.

House Bill 2066 (2007) - Sister state committees are authorized to host visiting delegations from the sister state, participate in delegations to the sister state, provide for the exchange of information, and work jointly on projects. Until the enactment of House Bill 2066, only one active sister state committee was in existence.

(the Fujian Sister State Committee).

The measure consolidated sister state committees into one single Sister State Committee, allowing the committee membership to plan and coordinate committee duties for the Fujian Province as well as sister states. In addition, the Fujian Sister State Committee is required to biennially visit the Fujian Province.

### **Staff and Agency Contacts**

[Oregon Department of Agriculture](#)

503-872-6600

[Port of Portland](#)

800-547-8411

[Oregon Economic and Community Development  
Department](#)

[International Division](#)

503-229-6052

United States Department of Commerce

[International Trade Administration](#)

1-800 USA-TRAD(E)

Theresa Van Winkle

[Legislative Committee Services](#)

503-986-1496