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Background Brief on ...

# International Trade

## Oregon's Role in the Global Economy

International exports and imports are vital components of Oregon's economy. Oregon's total exports were \$19.4 billion in 2008 and export growth in Oregon between 2007 and 2008 was 17.2 percent, exceeding the national average during the same time period of 11.8 percent. The top Oregon-export sectors in 2008 included:

- Computer and electronic product manufacturing (41 percent);
- Agricultural products (15 percent);
- Machinery manufacturing (eight percent); and
- Transportation equipment manufacturing (eight percent).

The two largest growth sectors were computer and electronic products and agricultural products, which each increased by 27 percent between 2007 and 2008.

Computer and electronic products are the top manufactured exports from the Bend, Corvallis, and Portland-Vancouver-Beaverton metro areas, while transportation equipment is the top manufactured export from the Eugene-Springfield and Medford metro areas. Crop production is the top manufactured export from the Salem metro area.

Oregon companies export to approximately 200 countries, with 53 percent of Oregon's total exports going to the state's top five export markets.

Based upon 2008 figures from the U.S. Census Bureau, Oregon's top four trading partners are Canada (\$2.8 billion), mainland China (\$2.45 billion), Japan (\$2.0 billion), and Malaysia (\$1.9 billion). Roughly 50 percent of Oregon's total exports are to countries in Asia. From 2007 to 2008, Oregon's exports to China increased by 73 percent.

## Export-Supported Employment

Jobs related to manufacturing exported goods accounts for 7.6 percent of Oregon's total private sector employment, and 17.1 percent of manufacturing employment in the state was linked to manufacturing exports. According to the Oregon Business Development Department, 4,190 Oregon-based companies exported goods in 2006, with small-to-medium size businesses (defined as less than 500 employees) making up 88 percent of the companies and generating 27 percent of Oregon's total export value.

Over 150 foreign companies have operations in Oregon, employing more than 20,000 Oregonians. In addition, Oregon's service economy is internationally competitive, with tourism and education helping to expand Oregon's growth.

## Role of Ports

The 23 public port districts 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 automobile 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.

## Role of State Agencies

One role of the Business, Innovation & Trade Division, located within the Oregon Business Development Department (**BusinessOregon**), is to assist Oregon companies - especially small and medium-sized firms - in finding customers abroad. The Global Strategies Section provides specialized assistance in a number of industry sectors, ranging from clean technologies to forest products. BusinessOregon also contracts

with trade representatives in Japan, Taiwan, China, South Korea, and Europe.

Additionally, the marketing division of the Oregon Department of Agriculture offers international and domestic marketing assistance for food, agricultural, and fisheries products. Examples of services include export market research and feasibility studies and outbound trade missions for Oregon producers and inbound trade missions for targeted buyers of Oregon products.

## 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.

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