

Commerce Department wants county to increase exporting

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As the Obama administration pushes an aggressive goal to double U.S. exports in five years, the Commerce Department is leaning on the nation's biggest exporting regions — like Ventura County — to step up their game.

The Oxnard-Thousand Oaks-Ventura metropolitan area ranks 51st among the 100 leaders in exports, according to a Brookings Institution study released today. The area produces \$5.5 billion annually in total exports and is considered a “highly innovative” region because 14.8 percent of what's produced here gets exported, supporting 42,233 jobs.

But local business and government leaders are being urged to do more business outside the United States. Otherwise, said Commerce Department Regional Director Richard Swanson: “Where are they going to be in the next 10 years?”

Swanson is appealing to the economic development leaders in the tri-county area of Santa Barbara, Ventura and San Luis Obispo to stop spending time working to steal their neighboring cities' business and watch instead for foreign investment.

“You have to look beyond the domestic market and prepare your county and city to be attractive for foreign investment,” he said. “That's another part of our goal, to set up the tri-county area so it's viable and ready for capital investment.”

Swanson recommends “sensitizing and globalizing” messages and the online presence. Also, he hopes local leaders will take advantage of programs like Invest in America “to help them get a better perspective on what opportunities in what countries could be taken advantage of. That way, for example, if the Chinese want to come here and set up an electric car manufacturer, regional officials are ready to talk about tax structures, transportation, distribution and other issues.”

Exports are central to economic health, according to Brookings, which also recommends metropolitan leaders focus on exporting.

“Any increase in U.S. exports would benefit the nation, so the federal government is right to think about maximizing exports,” states the report coming from the Washington, D.C.-based

think tank. “More importantly, it is up to local leaders, in businesses and government, to assess their own strengths and weaknesses and address them to sell to foreign markets.”

The study — “Export Nation: How U.S. Metros Lead National Export Growth and Boost Competitiveness” — found that the six industries doing the most exporting in Ventura County are: chemicals (number one), machinery, agriculture, computers and electronics, and royalties from intellectual property. Local exporters are making the most money in Canada (\$740 million in 2008) and Mexico (\$504 million).

Brookings cites Monsanto Vegetable Seeds in Oxnard as a major exporter. A spokeswoman, Danielle Stuart, said the company exports vegetable seeds to about 135 different countries around the globe, to the Americas, Europe, Middle East, Africa and Asia. Approximately 45 percent of Monsanto’s total Oxnard sales revenues are generated from exports.

“As a result, we consider our Oxnard site to be strategically placed given our proximity to LAX for servicing our air export business and the Port of Los Angeles/Long Beach for servicing our ocean export,” she said. “Considering the current economic and trade imbalance issues facing today’s global economy, in combination with the reduction in transportation services we have noticed in other U.S. Western ports, in particular the Northwest, we have benefited significantly from our Oxnard location.”

Officials at the Oxnard Harbor District, which oversees the Port of Hueneme, have seen a jump in exports recently, particularly American-made automobiles. This year there were 31,400 units that went to the Far East, compared with 9,800 last year, a 220 percent rise.

“We believe that the market will be sustained and we’ll continue to see it grow,” said Oxnard Harbor District Executive Director Anthony Taormina. “Also we’ve seen a big upsurge in what we would call agricultural construction equipment being exported.” In the U.S., the top five export-producing metros are New York, Los Angeles, Chicago, Houston and Dallas.

Businesses looking to do more exporting should look to Brazil, India and China, which are the three nations Brookings sees as having the greatest potential for export growth in coming years. The U.S. has not taken full advantage of those emerging markets, which could pull 26 percent of global middle-class consumption by 2020.

“Our leaders must implement smart, game-changing policies that level the global playing field,” said Emilia Istrate, senior research analyst and a co-author of the Brookings report. “We must connect our macroeconomic goals to the role that metropolitan America will play in creating jobs and rebalancing the national economy. In other words, connect the macro to the metro.”

Megan Cullen got exporting assistance from the Commerce Department as the marketing manager for CMC Rescue of Santa Barbara. She said that for a small fee of \$500, the

department helped review companies, and local embassies helped arrange interviews and set up appointments. The new business that CMC Rescue secured helped the company even when the economy tanked.

“It definitely will balance things out for you because you don’t have your eggs in one basket,” she said.

The Commerce Department hasn’t yet set up a website for the Tri-County Export Initiative, but more information can be obtained by contacting U.S. Export Assistance Center Director Gerald Vaughn at 488-4844 or Gerald.Vaughn@trade.gov.