



Munich Personal RePEc Archive

# **International trade in Georgia: Review of state programs, policies, and recent trends.**

Moore, Robert E.

September 2000

Online at <https://mpra.ub.uni-muenchen.de/10508/>

MPRA Paper No. 10508, posted 22 Sep 2008 01:12 UTC

# **Fiscal Research Program**

## **INTERNATIONAL TRADE IN GEORGIA : REVIEW OF STATE PROGRAMS, POLICIES AND RECENT TRENDS**

**Robert E. Moore**

**FRP Report No. 45  
September 2000**



**Georgia State  
University**

**Andrew Young**

**School of Policy Studies**

## TABLE OF CONTENTS

Executive Summary .....	iv
I. Introduction and Organization .....	1
II. Georgia's State Policies and Programs Related to International Trade .....	1
A. The Export Promotion Programs of the Georgia Department of Industry, Trade and Tourism.....	3
1. International Trade Representatives.....	3
2. Target Industry Programs .....	4
3. Trade Information Services.....	4
4. Trade Finance.....	5
5. Other Programs and Activities.....	5
B. The Export Promotion Programs of the Georgia Department of Agriculture .....	6
C. University of Georgia Business Outreach Services/ Small Business Development Center .....	7
III. Georgia's Recent Export Performance .....	8
A. Georgia's Export Performance Compared to the U.S. ....	11
B. Georgia's Export Performance Compared to Surrounding States.....	12
C. Georgia's Export Performance by Major Sectors .....	12
D. The Export Performance of Metropolitan Areas in Georgia.....	15
E. Georgia's Major Export Markets.....	17
IV. Conclusions.....	18
Appendix.....	21

# **INTERNATIONAL TRADE IN GEORGIA: REVIEW OF STATE PROGRAMS, POLICIES AND RECENT TRENDS**

## **Executive Summary**

This report surveys the major programs and formal policies of the state of Georgia that may affect or influence international trade, particularly exports from the state. This is of interest because it is expected that exports will have a positive effect on the job base by increasing the quantity and quality of jobs in the state, and on the general business climate by leading to a more diverse and extensive business environment. The report also presents recent trends in international trade in Georgia.

The following are some of the major findings of this report:

- No evidence of unintended effects of state policy restricting exports was found. For example, no tax legislation or regulatory policies were identified that inadvertently discourage firms from exporting.
- Georgia has an active export promotion program under the Georgia Department of Industry, Trade, and Tourism (GDITT). A complimentary program under the Georgia Department of Agriculture promotes the state's agricultural products. Export assistance to small businesses is made available through the Small Business Development Centers (SBDC). There is considerable coordination of efforts by each of these programs with one another and with the U.S. Export Assistance Center in Atlanta.
- Merchandise exports have grown very rapidly in Georgia in the period 1993-1998. Georgia's cumulative export growth rate of 85.3 percent for the period is the fifth highest among the fifty states. In terms of the dollar value of export growth (as opposed to the percentage), Georgia ranks ninth among the states for the period. Thus Georgia's export growth has been high compared to other states in both absolute and relative terms.
- Part of the rapid growth of Georgia's exports can be attributed to the overall good performance of the economy of Georgia, however, exports have grown annually nearly 5 percent faster than the state economy as a whole.
- While other states may find Georgia's *growth* of exports enviable, Georgia's *level* of exports as a percentage of gross state product (GSP) remains lower than the average for the U.S. and even lower than in each of the surrounding states. Georgia would need to increase exports from slightly over 4 percent of GSP to about 6.5 percent of GSP, an additional 50-60 percent increase in exports, to be on par with the better exporting neighbors, North Carolina, South Carolina, Tennessee, and Florida. To

catch up to the U.S. average of about 8 percent of GSP, Georgia would need to roughly double its exports.

- There has been some very rapid reordering of the top industries for exports. Indeed Chemical products exports have grown nearly 270 percent in the 1993-1998 period to become Georgia's largest (in dollar terms) exporting sector. As recently as 1996, Agriculture<sup>1</sup> was the second highest exporting sector in Georgia, while Chemical products was fifth. By 1998, Agriculture had dropped to sixth in rank, while Chemical Products has risen to first and Transportation Equipment to second.
- Three of the top six exporting sectors (Industrial Machinery and Computers, Electric and Electronic Equipment, and Agriculture) receive special assistance with exporting from the state. The first two are two of five targeted sectors by GDITT. Agriculture receives specialized assistance from the state Department of Agriculture. This special assistance includes leading delegations to major trade shows, organizing trade missions, and producing directories of Georgia products.
- Between 85-90 percent of the State's exports originate from businesses in one of the seven metropolitan areas in, or partly in, the state. Slightly more than 70 percent of the state's exports originate from the Atlanta metropolitan statistical area (MSA). In terms of the dollar value of export growth, for the 1993-1998 period Atlanta ranks as 18th among 253 MSAs in the U.S. For the year 1997-1998 Atlanta is second only to the Seattle-Bellevue-Everett MSA.
- Among the major destinations, Georgia's exports have grown most rapidly to Brazil (668.6 percent), Belgium (336.2 percent), Mexico (250.0 percent), and the U.K. (244.9 percent) in the 1993-1998 period. The countries receiving the largest shares of Georgia's exports in 1998 were Canada (18.9 percent), Mexico (10.1 percent), the U.K. (9.0 percent), and Japan (5.3 percent). Perhaps not surprisingly, there is a high degree of correlation between the location of the GDITT International Trade Representative's offices and the state's major export markets. It is also noteworthy that the three fastest growing markets, Brazil, Belgium, and Mexico, all have GDITT International Trade Representative's offices.

---

<sup>1</sup>This includes agricultural products, food products, livestock and livestock products in the U.S. Office of Trade and Economic Analysis data.

# **INTERNATIONAL TRADE IN GEORGIA: REVIEW OF STATE PROGRAMS, POLICIES, AND RECENT TRENDS**

## **I. Introduction and Organization**

The purpose of this report is to review the recent statistical record on international trade in Georgia and to review Georgia's policies and programs related to international trade. These are important concerns because an increase in exports will have a positive effect on the job base by increasing the quantity and quality of jobs in the state and by leading to a more diverse and extensive business environment in the state. Section II reviews the major policies and programs of the state that are related to international trade. Section III then considers the existing evidence on the State's record in international trade with particular attention to exports. Section IV offers some concluding observations.

## **II. Georgia's State Policies and Programs Related to International Trade**

One of the principle goals of this study is to identify both the intended, as well as the unintended, effects of state policy on international trade in Georgia. While the U.S. Constitution (Article I, Section 10) prohibits the explicit restriction of international trade by sub-national levels of government, state government policy may, nonetheless, unintentionally restrict the flow of international trade (in either direction). However, no evidence of unintended effects of state policy *restricting* exports was found during the course of this study.<sup>1</sup> For example, no tax legislation or regulatory policies were identified that inadvertently discourage firms from exporting.

It is a slightly different story when it comes to the restriction of imports. The Constitutional prohibition notwithstanding, there may be state level regulations that unintentionally restrict imports to Georgia. A recent study published by the European

---

<sup>1</sup>All of the private sector export managers that spoke with me indicated that the state does not hinder their exporting efforts in any way. Indeed several reported receiving beneficial assistance from the state when confronting barriers due to national policies or foreign governments.

Commission (EC) complains about state level policies generally (but not specifically about Georgia) that restrict imports.<sup>2</sup> These fall into two major categories: technical barriers to trade and government procurement policies. Technical barriers include state level regulations regarding health and safety standards among other things. The EC report complains about the "proliferation of regulation at the State level" that makes it difficult for foreign companies without offices in the U.S.<sup>3</sup>

The EC report also decries sub-federal selective purchasing legislation. This may include state and local government "Buy American" provisions for example. These provisions restrict the ability of European Union (and other international) companies from bidding for contracts and doing business on some state and local governments' programs and projects.

On the promotion side, Georgia, like many other states, has an active export promotion program that is designed to assist Georgia businesses in the marketing of their products and services internationally. These export promotion efforts reside primarily in three principal offices: the Georgia Department of Industry, Trade and Tourism; the Georgia Department of Agriculture; and the University of Georgia's Business Outreach Services. There is collaboration among these state offices and between each of these and the Atlanta U.S. Export Assistance Center. The U.S. Export Assistance Centers are designed to be one-stop centers that combine information on the export marketing and finance programs of various parts of the U.S. Government, including the Department of Commerce, the U.S. Small Business Administration, the U.S. Department of Agriculture, and the Export-Import Bank of the United States.<sup>4</sup> The regional U.S. Export Assistance Centers are a result of the 1993 National Export Strategy. The Atlanta U.S. Export Assistance Center, which opened in September of 1995 was the first to fully

---

<sup>2</sup>Report on United States Barriers to Trade and Investment, European Commission, Brussels, August 1999.

<sup>3</sup>Report on United States Barriers to Trade and Investment, European Commission, Brussels, August 1999. This report is available from the European Commission's web site. (<http://europa.eu.int/comm/trade/pdf/usrbt99.pdf>)

<sup>4</sup>See the Inland Empire District Export Assistance Center web site for some background information on US Export Assistance Centers. ([http://www.citivu.com/inland\\_empire/doc-eac/](http://www.citivu.com/inland_empire/doc-eac/))

integrate federal and state export marketing and export finance assistance. It is a recognized model for federal-state cooperation and for public-private partnerships.<sup>5</sup>

The services of each of the state level offices involved in export promotion activity are outlined in the following sub-sections.

#### **A. The Export Promotion Programs of the Georgia Department of Industry, Trade and Tourism<sup>6</sup>**

The Export promotion programs of the Georgia Department of Industry, Trade and Tourism (GDITT) are carried out by the International Trade Division. While the services provided are available to all businesses in the state, medium and smaller sized firms are the more typical beneficiaries. Larger firms will often hire a consultant to guide them through the process of marketing their product internationally.

The mission of the International Trade Division is to increase exports from Georgia for the purpose of enhancing employment, not only in terms of the numbers of jobs, but also in terms of the quality of jobs. It carries out this mission by means of the activities and programs described below.

##### **1. International Trade Representatives**

The International Trade Division of the GDITT has International Trade Representatives in eleven foreign locations. The offices in Brussels (Belgium) and Tokyo (Japan) are staffed by state employees. The other nine offices--located in Seoul (South Korea), Shanghai (China), Taipei (Taiwan), Kuala Lumpur (Malaysia), Toronto (Canada), Mexico City, São Paulo (Brazil), Jerusalem (Israel), and Johannesburg (South Africa)--are contract offices. The Brussels, Jerusalem, and Kuala Lumpur offices provide services covering the wider areas of Europe, the Middle East, and Southeast Asia, respectively, while the other offices are primarily national in coverage. These offices offer Georgia companies in-market assistance with market assessments

---

<sup>5</sup>The Atlanta US Export Assistance Center office is located in the same building as the GDITT office and even shares phone systems and computer networks with GDITT.

<sup>6</sup>Much of the information in this section was drawn from an interview with Carlos Martel (Deputy Commissioner, International Trade Division, GDITT) and Kevin Langston (Director, International Trade Division, GDITT) and from other information they generously provided.

and entry strategies, assistance in locating and pre-qualifying partners and customers, advice on local business practices, assistance in resolving disputes with local partners, and arranging appointments for Georgia companies visiting their markets.

## 2. Target Industry Programs

The International Trade Division also has targeted industry programs that offer tailored export assistance for Georgia firms in the medical/biotech, environmental, construction products and services, technology industries, and industrial machinery (initiated in July, 1999). This assistance includes leading delegations of Georgia firms to major trade shows for the targeted industries, organizing trade missions to potentially promising export markets, showroom exhibitions in selected markets, and producing directories of Georgia products available for export from the target sectors.

## 3. Trade Information Services

GDITT's International Trade Division manages an international Trade Resource Center located in the Atlanta U.S. Export Assistance Center (USEAC). This comprehensive array of electronic and printed materials on market research, industry reports, and international trade information is made available to Georgia exporters and potential exporters. In addition, the Division publishes a series of catalogues and directories, titled *Made in Georgia USA*, featuring Georgia products available for export. This series is made available both electronically (by CD-ROM and on the world-wide web) and by hard copy.<sup>7</sup> Also, a monthly electronic newsletter, *Georgia Trade Alert*, is published for exporters. Finally, the International Trade Division supplies a windows-based information system that provides trade leads, market research reports, and statistics called the Georgia International Trade Data Network (GITDN). This system can be accessed from the Atlanta USEAC International Trade Resource Center, each of Georgia's Technical Institutes, and certain chambers of commerce.

---

<sup>7</sup>See the GDITT web site. (<http://www.georgia.org>)

#### 4. Trade Finance

GDITT's International Trade Division also provides guidance on export financing options and assists firms in obtaining financing for export transactions. All financing comes from commercial banks with guarantees and other incentives provided through the programs of the U.S. Export-Import Bank, the U.S. Small Business Administration, or the Georgia Trade Finance Fund.

#### 5. Other Programs and Activities

One of the more novel activities undertaken by the International Trade Division was the development of a PC based video conferencing network. This was developed under a U.S. Department of Commerce grant and because of the favorable results in Georgia, similar networks are being established in all of the U.S. Export Assistance Centers.<sup>8</sup> This video conferencing network connects the Atlanta USEAC and GDITT with eight International Trade Representative offices as well as with other locations throughout Georgia. This network provides enhanced access to prospective customers, business affiliates, and overseas trade experts for prospective and current Georgia exporters.

The International Trade Division organizes delegations from Georgia to attend international trade shows based on major industries in targeted export markets. They provide support for the members of the Georgia delegation (which includes representatives from private sector firms), promote Georgia industries in Georgia Pavilions, and collect potential leads for firms unable to attend the trade show. The Division expects to send delegations to about nine trade shows in the period from November 1999 to June 2000 in locations ranging from China to Brazil, Germany, Mexico, Greece, and Canada.

The Division also represents Georgia companies at multi-state catalog exhibitions organized by U.S. Embassies in developing international markets known as Trade Days Catalog

---

<sup>8</sup>Testimony of Ms. Awilda R. Marquez (Assistant Secretary & Director General, Commercial Service, Department of Commerce), Sept. 9, 1999, House Small Business Committee. (<http://www.house.gov/smbiz/hearings/106th/1999/990909/marquez.htm>)

Shows. The products of from 20-30 companies are promoted and leads are collected for the firms. In the period from September 1999 to June 2000 export managers or trade representatives will attend about three Trade Days Catalog Shows covering Asia, Africa, the Middle East, and Latin America.

The Division also organizes Trade Missions to those countries where trade shows are not well developed and where International Trade Representatives can provide organizational support. Advance appointments are scheduled between participating Georgia firms and potential customers. In addition the Division sponsors or co-sponsors certain domestic trade shows, conferences, and seminars.

#### **B. The Export Promotion Programs of the Georgia Department of Agriculture<sup>9</sup>**

The Office of International Trade of the Georgia Department of Agriculture (GDA) provides assistance to Georgia companies seeking to export food and agricultural products and to foreign companies interested in importing such products from Georgia. The Division operates offices in Atlanta and Brussels (Belgium), where it shares space with GDITT.

The GDA Office of International Trade provides help primarily for small to medium sized firms that are exploring the possibility of trying to export their product. After an initial consultation, the Office of International Trade helps to identify target markets for a company's product, identify import restrictions faced by a firm's product, and assists in making initial contact with potential customers. The Office of International Trade also coordinates with and promotes the export assistance programs of the Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA), the Sunbelt United States Export Assistance Center (SUSEAC) and the Southern United States Trade Association (SUSTA). An example is the *Market Access Program* (MAP) which is funded by and under the direction of the FAS and

---

<sup>9</sup>Much of the information in this section was drawn from an interview with Andrés Villegas (Director, Office of International Trade, Georgia Department of Agriculture) and John Snipes (International Trade Specialist, Office of International Trade, Georgia Department of Agriculture) and from other information they generously provided.

administered and implemented by regional trade groups such as SUSTA.<sup>10</sup> This program provides matching funds for international marketing expenses related to promotion of a US branded agricultural product. The Office of International Trade makes eligible firms aware of this program and assists them in preparing their application.

The GDA Office of International Trade produces two publications. The first, *International Trade Update*, is a newsletter that announces upcoming trade shows, trade missions, and other promotional activities. The second, *International Advertiser*, is a publication that promotes Georgia companies and their food products to foreign importers and distributors. The Division also maintains a current list of sources for Georgia agricultural and food products which it distributes to overseas buyers.

The Office of International Trade of GDA serves as a conduit for trade leads that are received from its Brussels office, the FAS, SUSTA, trade shows, promotions, and other contacts. The division also assists Georgia firms in their participation in trade shows, trade missions, and overseas in-store promotions.

### **C. University of Georgia Business Outreach Services/Small Business Development Center**

The Business Outreach Services/Small Business Development Center (SBDC) is a public service unit of the University of Georgia which seeks to enhance the economic well being of Georgians through the application and dissemination of the business knowledge base in the University System. SBDC is also a business assistance provider for the U.S. Department of Commerce, Small Business Administration. The SBDC provides educational opportunities to small business owners, potential entrepreneurs, and community organizations that seek to create, sustain, or expand business ventures.

---

<sup>10</sup>See the GDA Office of International Trade's web site for additional information on this program. ([http://www.agr.state.ga.us/intl\\_market/html/body\\_international\\_marketing\\_fina.html](http://www.agr.state.ga.us/intl_market/html/body_international_marketing_fina.html))

SBDC maintains nineteen offices widely dispersed around the state which deliver business consulting, business training classes, and applied research studies.<sup>11</sup> One of the objectives of the SBDC is to assist in the expansion of international trade primarily by educating new exporters in all aspects of exporting. This objective is met by providing consulting services which include making the client aware of the services available from other state and federal agencies. In addition SBDC provides special training sessions to guide businesses to their first international customers. An example of this type of training is the upcoming "ExportAG" program. This intensive series of training sessions is intended to guide potential agricultural products exporters step by step through the process of finding, contacting, and selling to customers in other countries.<sup>12</sup> A similar program for non-Agricultural exports last year reportedly helped to generate over \$8 million worth of export sales for the ten participating companies.

### **III. Georgia's Recent Export Performance**

The availability of export data at the level of the states has improved dramatically in recent years. Prior to 1993, state level export data from official U.S. Government sources were generally from the Origin of Movement (OM) series, which did not accurately represent the export business activity of a state though it was and continues to be disaggregated and reported to the state level. The U.S. Office of Trade and Economic Analysis (OTEA), reports that the OM series is best suited for transportation planning. The data in this report are entirely from the Exporter Location (EL) series which, the OTEA reports, are the more suitable data for investigation of export promotion activity.<sup>13</sup>

---

<sup>11</sup>Business Outreach Services/Small Business Development Center offices are located in: Albany, Athens, Atlanta, Augusta, Brunswick, Carrollton, Columbus, Dalton, Decatur, Gainesville, Kennesaw, LaGrange, Macon, Morrow, Norcross, Rome, Savannah, Statesboro, and Valdosta.

<sup>12</sup>See the Business Outreach Services/Small Business Development Center web site for additional information on "ExportAG." (<http://www.sbdc.uga.edu/desintertrade.html>)

<sup>13</sup>See the Office of Trade and Economic Analysis web site for details on the differences in the two data series. (<http://www.ita.doc.gov/industry/otea/state/intro.html>)

Table 1 illustrates the very rapid growth of Georgia's exports from just over \$6 billion in 1993 to more than \$11 billion in 1998. This represents an average growth rate of better than 13 percent annually or a cumulative growth of 85.3 percent for the period. Only New Mexico, Kentucky, North Dakota, and Arizona have experienced a higher cumulative percentage growth of exports for this period.<sup>14</sup>

Georgia was ranked ninth among all the states in dollar value of export growth from 1993 to 1998. For 1997 to 1998, Georgia ranks third among the states for the dollar value change of exports.<sup>15</sup>

Part of this very rapid expansion of exports can be explained by the very positive economic growth experience of the state of Georgia during this period. Gross State Product (GSP) is the aggregate value of all goods and services produced within a state in a year. Tracking GSP year by year gives a good measure of the growth of overall economic activity in a state. Georgia's GSP grew at a rate of between 7 percent and 9 percent for each year in the period 1993-1997. Table 2 provides data on Gross State Product (GSP) for the years 1993 to 1997.<sup>16</sup>

Table 1. Georgia Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from Previous Year	Growth from 1993
1993	\$6,050,113	-	-
1994	\$7,108,082	17.5%	17.5%
1995	\$8,626,786	21.1%	42.6%
1996	\$8,617,989	-0.1%	42.4%
1997	\$9,810,037	13.8%	62.2%
1998	\$11,212,056	14.3%	85.3%

<sup>14</sup>Their cumulative export growth rates from 1993 to 1998 are: New Mexico, 374.0 percent; Kentucky, 123.7 percent; North Dakota, 91.3 percent; and Arizona, 85.9 percent.

<sup>15</sup>See the Office of Trade and Economics Analysis web site for the details of the various rankings of states' export performances. (<http://www.ita.doc.gov/td/industry/otea/state/>)

<sup>16</sup>The GSP data is currently only available through 1997. See Beemiller and Wells, "Gross State Product by Industry, 1995-97," *Survey of Current Business*, June 1999, pp. 24-45.

Table 2. Gross State Product (GSP) and Export Share of GSP for Georgia 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$170,903	3.54%	-
1994	\$185,982	3.82%	7.9%
1995	\$200,152	4.31%	21.8%
1996	\$214,436	4.02%	13.6%
1997	\$229,473	4.28%	20.9%

Table 2 also provides calculations of the share of exports in GSP and the growth of the share of exports. Export share has grown from 3.54 percent of GSP in 1993 to 4.28 percent of GSP in 1997. It actually peaked in 1995 at 4.31 percent. After a notable decline in 1996, the share rose again in 1997. Both the Export Share in Table 2 and aggregate exports listed in Table 1 indicate that there was a decline of merchandise exports in 1996. However GSP did not decline, indicating a healthy overall economic climate for the year. As 1996 was the year the Olympics were held in Atlanta, it is quite possible that all the economic activity associated with the Olympics had a "crowding out" effect (by making inputs, in particular labor or transportation, more expensive). This "crowding out" may have adversely affected some of the merchandise exporters in the state. A booming sector "crowding out" and causing a decline in an established sector is similar to the so called "Dutch disease" frequently experienced in developing countries when there is a discovery of a natural resource, such as petroleum, that, when developed, leads to a decline in the existing manufacturing sector.<sup>17</sup>

If the value of the dollar was higher in 1996 compared to earlier or later years that could also have an adverse effect on export performance (by making Georgia's exports more expensive to the rest of the world). As it turns out, the real trade weighted dollar index was slightly higher

<sup>17</sup>See Sachs and Warner, June 1999, "The big push, natural resource booms and growth," *Journal of Development Economics*. This paper also provides evidence that booming sector crowding out leads to subsequent lower levels of over all economic growth.

in 1996 than in 1995, however, it was substantially lower than in 1997 and 1998, years when Georgia's exports grew, so this does not seem to be the cause of the 1996 export decline.<sup>18</sup>

The last column of Table 2, which provides the growth of export share in GSP, is an indicator of how much faster exports are growing than overall economic activity (represented by GSP) in the State. The 20.9 percent growth of export share from 1993 to 1997 is quite favorable, indicating that Georgia's exports grew at an average annual rate of 4.9 percent faster than GSP. This healthy clip indicates that the export sector as a share of the Georgia economy is expanding.

#### **A. Georgia's Export Performance Compared to the U.S.**

The growth of exports in Georgia can be put into perspective, in part, by comparing the state's performance to that of the United States as a whole. Table 3 reports U.S. merchandise exports and its growth rates for the period 1993-1998. Comparing this (Table 3) to the record for Georgia (seen in Table 1) indicates that while U.S. exports have grown significantly over the 1993-1998 period they have not grown at the rapid pace of Georgia's exports. The United States' cumulative export growth of 46.4 percent represents an average annual growth rate of 7.9 percent (compared to over 13 percent for Georgia). The share of Georgia's exports in the U.S. total has grown from 1.30 percent in 1993 to 1.65 percent in 1998.

While this indicates that Georgia's exports are growing substantially faster than for the U.S. as a whole, another valid consideration is the overall *level* of exports as a share of total production. As seen in Table 2, in 1997 the share of exports in gross state product for Georgia is 4.28 percent. The comparable figure for the entire U.S. economy in 1997 is 8.49 percent. Thus, Georgia's exports, while growing more rapidly than overall U.S. exports, would still have to nearly double to reach the same level as a share of total production experienced by the U.S. as a whole.

---

<sup>18</sup>The trade-weighted value of the US dollar, Broad index for the years 1993-1998 are: 88.3, 86.4, 84.0, 85.9, 90.5, and 98.4, respectively. See the *Economic Report of the President*, 1999, Table B-110, p. 452.

Table 3. United States Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$464,858,412	-	-
1994	\$512,415,609	10.2%	10.2%
1995	\$583,030,524	13.8%	25.4%
1996	\$622,827,063	6.8%	34.0%
1997	\$687,597,999	10.4%	47.9%
1998	\$680,473,140	-1.0%	46.4%

### B. Georgia's Export Performance Compared to Surrounding States

Another way to put Georgia's export record into perspective is to compare it to that of the surrounding Southeastern states. For each state that borders Georgia, Table 4 gives the level of exports in 1998, the cumulative growth rate of exports from 1993 to 1998, and the share of exports in GSP in 1997.

These data indicate that while Georgia tops the list, among surrounding states, for cumulative growth of exports it has close company in Alabama and South Carolina. The export share data, however, indicates that Georgia has the furthest to go since it has the lowest export share in GSP for this group of states. Georgia would need to increase its exports by about another 50 percent to reach the same export shares as experienced by Tennessee, South Carolina, Florida, and North Carolina.

### C. Georgia's Export Performance by Major Sectors

The Office of Trade and Economic Analysis provides a disaggregation of each state's exports into the three major categories of Manufactures, Agriculture and Livestock Products, and

Table 4. The Export Performance of Georgia Compared to Surrounding Southeastern States

State	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Exports as a Share of GSP in 1997
Georgia	\$11,212,056	85.3%	4.28%
Alabama	\$4,560,189	82.1%	4.40%
Florida	\$23,172,624	57.7%	6.01%
South Carolina	\$5,856,943	81.9%	6.08%
North Carolina	\$12,919,909	62.0%	5.99%
Tennessee	\$9,872,507	60.5%	6.75%

Other Commodities.<sup>19</sup> These major categories are then broken down into from 2 to 21 sub categories. While these data may be helpful at the most disaggregated sub-category level their groupings into the primary categories are not particularly instructive. The OTEA data for agriculture, for example, grossly understates Georgia's agricultural exports when compared to the agriculture exports compiled by the United States Department of Agriculture (USDA).<sup>20</sup> Part, but not all, of this difference comes from OTEA assigning food products to manufactures, whereas the USDA counts the bulk of this production as agriculture.

There is, however, a problem with using the USDA export data for the analysis of the state level export promotion. These data are compiled by taking national level exports for each product category and allocating a share of the exports to each state based on that state's share of total national production of that product.<sup>21</sup> The implicit assumption is that a state exports the

<sup>19</sup>See the Office of Trade and Economic Analysis web site for this complete breakdown of the data for each state. (<http://www.ita.doc.gov/industry/otea/state/industry/world1.txt>)

<sup>20</sup>Andrés Villegas (Director, Office of International Trade, Georgia Department of Agriculture), pointed out the discrepancy, for agriculture, between the OTEA and USDA data.

<sup>21</sup>Christina S. Messer (Deputy State Statistician for Georgia, US Department of Agriculture) directed me to the information on how the Department of Agriculture compiles its state level export data. See the Department of Agriculture web site for details. It is specifically addressed in the methodology section of the article at the following URL. (<http://www.econ.ag.gov/epubs/pdf/AgTrade/States.pdf>)

same percentage of its production of a given product as do all other states.<sup>22</sup> Thus, if Georgia were to successfully promote the export of its peanuts (as opposed to peanuts from Virginia or elsewhere), for example, the increased exports of Georgia peanuts would show up in the USDA statistics as being shared by all peanut producing states on the basis of their share of peanut production, not solely as an increase in the export of Georgia's peanuts, as it should. Therefore, USDA state level export data will tend to understate the results of and benefits from export promotion efforts carried out by any individual state. Furthermore, since Georgia currently exports a smaller share of total production than does the U.S. as a whole, it is most likely that the USDA data will tend to overstate Georgia exports.<sup>23</sup>

It is worth noting the largest exporting sectors for Georgia according to the OTEA data. The six largest sectors, their 1998 export levels, their 1993 to 1998 export growth, and their 1998 share of total Georgia exports are reported in Table 5. These top six sectors (out of thirty-three) accounted for two-thirds of Georgia's exports in 1998.

An interesting aspect of these data is the mobility amongst the top exporting sectors. As recently as 1996 the order from the top was: 1) Industrial Machinery and Computers, 2) Agriculture, 3) Paper Products, 4) Electric & Electronic Equipment, 5) Chemical Products, and 6) Transportation Equipment. As indicated by comparison to Table 5, the Chemical Products and Transportation Equipment sectors have moved up in this ranking, while the Industrial Machinery and Computers, Paper Products, and Agriculture sectors have moved down.

Three of the top six exporting sectors in 1998, Industrial Machinery and Computers, Electric and Electronic Equipment, and Agriculture, receive special assistance with exporting from the state. The first two are two of the five targetted sectors by GDITT (see section IIA). Agriculture receives specialized assistance from the Georgia Department of Agriculture, Office of International Trade. This special assistance may help to account for the strong exporting

---

<sup>22</sup>This assumption, most likely, leads the USDA data to overstate actual agricultural exports from Georgia.

<sup>23</sup>Georgia exported 4.28 percent of total production in 1997 while the comparable export share figure for the U.S. is 8.29 percent.

Table 5. The Export Performance of Selected Major Sectors in Georgia

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total Georgia Exports in 1998
Chemical Products	\$1,724,463	268.2%	15.38%
Transportation Equipment	\$1,489,689	106.5%	13.29%
Industrial Machinery and Computers	\$1,372,485	69.2%	12.24%
Electric & Electronic Equipment	\$1,288,792	132.2%	11.49%
Paper Products	\$811,031	66.5%	7.23%
Agriculture*	\$792,263	81.1%	7.06%

\*This category was calculated by adding the categories of agricultural products, food products, and livestock and livestock products in the OTEA data.

performance of these three sectors. However other sectors, like Chemical Products for example, have grown very rapidly without being targeted for special assistance from the state.

#### **D. The Export Performance of Metropolitan Areas in Georgia**

The export performance of Georgia can be partly disaggregated by looking at the export performance of the primary metropolitan areas in the state. The Office of Trade and Economic Analysis (OTEA) disaggregates the Exporter Location (EL) data series into the 253 largest Metropolitan Statistical Areas (MSAs). This allows one to view the source of much of the state of Georgia's exports. Table 6 gives the seven MSAs located (or partly located) in Georgia along with their 1998 exports, their growth of exports from 1993 to 1998 and their share of the total exports for Georgia.

These data indicate that between 85-90 percent of Georgia's exports are from businesses located in metropolitan areas of the state. Indeed, 70.5 percent of the state's exports are from businesses located in the Atlanta MSA. Also, the export growth in the Atlanta MSA at 104.2

Table 6. The Export Performance of Georgia MSAs

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of Georgia's Exports in 1998
Georgia	\$11,212,056	85.3%	100.00%
18 Atlanta, GA	\$7,904,635	104.2%	70.50%
108 Savannah, GA	\$665,684	50.4%	5.94%
126 Augusta-Aiken, GA-SC	\$519,588	128.5%	4.63%
159 Chattanooga, TN-GA	\$337,090	54.4%	3.01%*
168 Columbus, GA-AL	\$276,459	50.4%	2.47%
176 Macon, GA	\$253,268	57.8%	2.26%
249 Albany, GA	\$36,918	39.9%	0.33%

\*This percentage supplied for comparison of the relative magnitude of the figure for this MSA. Most of the exports from this MSA are, of course, counted as exports from Tennessee, not Georgia.

percent for the 1993-1998 period is substantially higher than for the state as a whole. Only the Augusta-Aiken MSA at 128.5 percent has a higher cumulative percentage growth of exports.

These data indicate that the Atlanta MSA is the dynamo of exports for the state. In fact, the Atlanta MSA has the ninth highest growth of exports (in dollar value) among all 253 MSAs in the U.S. for the period 1993 to 1998. For 1997-1998, Atlanta ranks second only to the Seattle-Bellevue-Everett, Washington MSA in terms of export growth (in dollar value).<sup>24</sup>

<sup>24</sup>Numerous small and medium sized MSAs have higher percentage cumulative growth of exports than even the fastest growing of the larger MSAs. See the Office of Trade and Economic Analysis web site for various rankings of the export performance of MSAs. (<http://www.ita.doc.gov/industry/otea/metro>)

## E. Georgia's Major Export Markets

Georgia exported products to over one hundred and ninety countries around the world in 1998, however the top twelve markets accounted for just over two-thirds of the exports. These top twelve markets for 1998 are listed in Table 7 below.<sup>25</sup> The major markets for products from Georgia are predominantly higher income countries, but include two middle income Latin American countries, Brazil and Mexico, and two of the East Asian tigers, South Korea and Hong Kong.

Table 7. Major Destinations for Georgia's Exports

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of Georgia's Exports in 1998
Canada	\$2,115,890	44.0%	18.9%
Mexico	\$1,135,710	250.0%	10.1%
United Kingdom	\$1,005,695	244.9%	9.0%
Japan	\$589,643	40.7%	5.3%
Belgium	\$477,263	336.2%	4.3%
Brazil	\$472,268	668.8%	4.2%
Netherlands	\$367,341	112.5%	3.3%
Germany	\$338,322	23.1%	3.0%
France	\$291,287	59.1%	2.6%
Australia	\$277,072	125.3%	2.5%
South Korea	\$233,448	121.3%	2.1%
Hong Kong	\$224,284	62.3%	2.0%

<sup>25</sup>See the Office of Trade and Economic Analysis web site for this data.  
(<http://www.ita.doc.gov/industry/otea/state/exportmarkets/Georgia.txt>)

Interestingly there is a high degree of correlation between these top export markets and the location of GDITT International Trade Representative's offices. Most of the countries listed in Table 7 below have an International Trade Representative's office. Those that do not (United Kingdom, Netherlands, Germany, France, Austria) are served by the regional office for Europe in Brussels.

Undoubtedly, the 250 percent growth of exports to Mexico from 1993 to 1998 has been substantially spurred by the implementation of the North American Free Trade Agreement (NAFTA).<sup>26</sup> Surprisingly, export growth to the UK has been nearly as fast at 244 percent, and to Belgium and Brazil, even faster at 336 percent and 669 percent respectively. Note also that the three fastest growing markets; Brazil, Belgium, and Mexico; have GDITT International Trade Representative's offices.

#### **IV. Conclusions**

This report reviews Georgia's programs on export assistance and the existing record on recent trends in the state's exports. The specific findings of this study are:

- No evidence of unintended effects of state policy restricting exports was found. For example, no tax legislation or regulatory policies were identified that inadvertently discourage firms from exporting.
- Georgia has an active export promotion program under the Georgia Department of Industry, Trade, and Tourism (GDITT). A complimentary program under the Georgia Department of Agriculture promotes the state's agricultural products. Export assistance to small businesses is made available through the Small Business Development Centers (SBDC). There is considerable coordination of efforts by each of these programs with one another and with the U.S. Export Assistance Center in Atlanta.
- Merchandise exports have grown very rapidly in Georgia in the period 1993-1998. Georgia's cumulative export growth rate of 85.3 percent for the period is the fifth highest among the fifty states. In terms of the dollar value of export growth (as opposed to the percentage), Georgia ranks ninth among the states for the period. Thus Georgia's export growth has been high compared to other states in both absolute and relative terms.

---

<sup>26</sup>NAFTA was passed by the US Congress on November 17, 1993.

- Part of the rapid growth of Georgia's exports can be attributed to the overall good performance of the economy of Georgia, however, exports have grown annually nearly 5 percent faster than the state economy as a whole.
- While other states may find Georgia's *growth* of exports enviable, Georgia's *level* of exports as a percentage of gross state product (GSP) remains lower than the average for the U.S. and even lower than in each of the surrounding states. Georgia would need to increase exports from slightly over 4 percent of GSP to about 6.5 percent of GSP, an additional 50-60 percent increase in exports, to be on par with the better exporting neighbors, North Carolina, South Carolina, Tennessee, and Florida. To catch up to the U.S. average of about 8 percent of GSP, Georgia would need to roughly double its exports.
- There has been some very rapid reordering of the top industries for exports. Indeed Chemical products exports have grown nearly 270 percent in the 1993-1998 period to become Georgia's largest (in dollar terms) exporting sector. As recently as 1996, Agriculture<sup>27</sup> was the second highest exporting sector in Georgia, while Chemical products was fifth. By 1998, Agriculture had dropped to sixth in rank, while Chemical Products has risen to first and Transportation Equipment to second.
- Three of the top six exporting sectors (Industrial Machinery and Computers, Electric and Electronic Equipment, and Agriculture) receive special assistance with exporting from the state. The first two are two of five targeted sectors by GDITT. Agriculture receives specialized assistance from the state Department of Agriculture. This special assistance includes leading delegations to major trade shows, organizing trade missions, and producing directories of Georgia products.
- Between 85-90 percent of the State's exports originate from businesses in one of the seven metropolitan areas in, or partly in, the state. Slightly more than 70 percent of the state's exports originate from the Atlanta metropolitan statistical area (MSA). In terms of the dollar value of export growth, for the 1993-1998 period Atlanta ranks as 18th among 253 MSAs in the U.S. For the year 1997-1998 Atlanta is second only to the Seattle-Bellevue-Everett MSA.
- Among the major destinations, Georgia's exports have grown most rapidly to Brazil (668.6 percent), Belgium (336.2 percent), Mexico (250.0 percent), and the U.K. (244.9 percent) in the 1993-1998 period. The countries receiving the largest shares of Georgia's exports in 1998 were Canada (18.9 percent), Mexico (10.1 percent), the U.K. (9.0 percent), and Japan (5.3 percent). Perhaps not surprisingly, there is a high degree of correlation between the location of the GDITT International Trade Representative's offices and the state's major export markets. It is also noteworthy that the three fastest growing markets, Brazil,

---

<sup>27</sup>This includes agricultural products, food products, livestock and livestock products in the U.S. Office of Trade and Economic Analysis data.

Belgium, and Mexico, all have GDITT International Trade Representative's offices.

The data on state level exports has recently improved greatly and is expected to continue to improve in the near future thus tracking state level export data at a reasonable level of detail should be possible into the foreseeable future.

Increasing exports is a potentially important goal of the state. It can enhance employment, both in terms of the quality and quantity of jobs. It can also help to diversify and strengthen the economic base of the state which in turn may lead to a more extensive tax base for the funding of state government operations.

## Appendix

### Comparative Trade Data for Southeastern States

Table 1. Comparative Export Performance of Southeastern States

State	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Exports as a Share of GSP in 1997
Alabama	\$4,560,189	82.1%	4.40%
Florida	\$23,172,624	57.7%	6.01%
<b>Georgia</b>	\$11,212,056	85.3%	4.28%
Kentucky	\$7,439,971	123.7%	6.90%
Maryland	\$4,013,739	47.9%	2.51%
Mississippi	\$1,414,043	76.0%	2.44%
North Carolina	\$12,919,909	62.0%	5.99%
South Carolina	\$5,856,943	81.9%	6.08%
Tennessee	\$9,872,507	60.5%	6.75%
Virginia	\$11,459,928	41.2%	5.45%
West Virginia	\$1,178,228	56.2%	3.40%

## A. Alabama's Recent Export Performance

Table A1. Alabama Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$2,504,344	-	-
1994	\$3,115,364	24.4%	24.4%
1995	\$3,587,068	15.1%	43.2%
1996	\$3,702,427	3.2%	47.8%
1997	\$4,537,234	22.5%	81.2%
1998	\$4,560,189	0.5%	82.1%

Table A2. Gross State Product (GSP) and Export Share of GSP for Alabama 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$82,998	3.02%	-
1994	\$89,327	3.49%	15.6%
1995	\$94,948	3.78%	25.2%
1996	\$98,474	3.76%	24.5%
1997	\$103,109	4.40%	45.7%

Table A3. The Export Performance of Selected Major Sectors in Alabama

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total Alabama Exports in 1998
Transportation Equipment	\$1,034,171	382.4%	22.68%
Industrial Machinery and Computers	\$557,477	55.5%	12.22%
Electric & Electronic Equipment	\$538,154	32.2%	11.8%
Paper Product	\$417,308	57.6%	9.15%
Chemical Product	\$383,838	97.7%	8.42%

Table A4. The Export Performance of Alabama MSAs

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of Alabama's Exports in 1998
Alabama	\$4,560,189	82.1%	100.00%
93 Huntsville, AL	\$1,055,333	84.0%	23.14%
124 Birmingham, AL	\$533,796	0.0%	11.71%
140 Mobile, AL	\$426,057	19.4%	9.34%
168 Columbus, GA-AL	\$276,459	50.4%	6.06%*
214 Montgomery, AL	\$135,288	-14.3%	2.97%
220 Decatur, AL	\$124,547	194.2%	2.73%
248 Florence, AL	\$36,980	24.1%	0.81%

\*This percentage supplied for comparison of the relative magnitude of the figure for this MSA. Most of the exports from this MSA are, of course, counted as exports from GA, not AL.

Table A5. Major Destinations for Alabama's Exports

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of Alabama's Exports in 1998
Canada	\$1,280,822	106.0%	28.1%
Germany	\$452,495	218.9%	9.9%
Mexico	\$380,395	105.2%	8.3%
Japan	\$331,704	-1.9%	7.3%
United Kingdom	\$235,094	116.4%	5.2%
Netherlands	\$178,198	44.9%	3.9%
South Korea	\$130,966	24.9%	2.9%
France	\$127,205	166.5%	2.8%
Italy	\$117,561	38.4%	2.6%
Colombia	\$95,981	655.5%	2.1%
Honduras	\$77,648	430.0%	1.7%
Belgium	\$71,205	37.2%	1.6%

## B. Florida's Recent Export Performance

Table B1. Florida Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$14,695,824	-	-
1994	\$16,559,218	12.7%	12.7%
1995	\$18,564,439	12.1%	26.3%
1996	\$19,618,195	5.7%	33.5%
1997	\$22,888,599	16.7%	55.7%
1998	\$23,172,624	1.2%	57.7%

Table B2. Gross State Product (GSP) and Export Share of GSP for Florida 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$300,681	4.89%	-
1994	\$321,700	5.15%	5.3%
1995	\$338,651	5.48%	12.1%
1996	\$360,271	5.45%	11.5%
1997	\$380,607	6.01%	22.9%

Table B3. The Export Performance of Selected Major Sectors in Florida

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total Florida Exports in 1998
Industrial Machinery and Computers	\$5,323,474	84.6%	22.97%
Electric & Electronic Equipment	\$4,265,111	94.4%	18.41%
Transportation Equipment	\$2,622,180	31.2%	11.32%
Chemical Products	\$2,223,433	75.7%	9.60%
Scientific & Measuring Instru.	\$1,642,003	56.2%	7.09%

Table B4. The Export Performance of Florida MSAs

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of Florida's Exports in 1998
Florida	\$23,172,624	57.7%	100.00%
8 Miami, FL	\$12,943,363	56.6%	55.86%
49 Tampa-St.Petersburg-Clearwater, FL	\$2,471,471	90.7%	10.67%
57 Fort Lauderdale, FL	\$2,086,614	57.9%	9.00%
80 Orlando, FL	\$1,477,338	58.8%	6.38%
94 West Palm Beach-Boca Raton, FL	\$958,964	25.4%	4.14%
103 Jacksonville, FL	\$777,167	92.0%	3.35%
122 Melbourne-Titusville-Palm Bay, FL	\$538,531	70.8%	2.32%
177 Panama City, FL	\$246,749	171.4%	1.06%
181 Lakeland-Winter Haven, FL	\$233,291	24.7%	1.01%
189 Sarasota-Bradenton, FL	\$208,502	11.6%	0.90%
223 Fort Pierce-Port St.Lucie, FL	\$108,740	48.0%	0.47%
239 Gainesville, FL	\$70,187	12.1%	0.30%
244 Pensacora, FL	\$47,881	23.5%	0.21%
245 Tallahassee, FL	\$47,605	195.8%	0.21%
252 Naples, FL	\$20,548	-63.0%	0.09%

Table B5. Major Destinations for Florida's Exports

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of Florida's Exports in 1998
Brazil	\$2,272,227	211.9%	9.8%
Canada	\$2,057,736	30.9%	8.9%
Venezuela	\$1,532,125	52.9%	6.6%
Mexico	\$1,271,522	65.3%	5.5%
Columbia	\$1,105,208	25.8%	4.8%
Dominican Republic	\$943,390	77.7%	4.1%
Argentina	\$907,748	21.4%	3.9%
United Kingdom	\$742,661	57.0%	3.2%
Japan	\$541,673	54.4%	2.3%
Peru	\$495,783	88.9%	2.1%
China	\$494,663	146.4%	2.1%
Paraguay	\$477,821	65.2%	2.1%

### C. Kentucky's Recent Export Performance

Table C1. Kentucky Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$3,325,866	-	-
1994	\$4,188,243	25.9%	25.9%
1995	\$5,030,113	20.1%	51.2%
1996	\$5,824,244	18.5%	75.1%
1997	\$6,904,058	13.8%	107.6%
1998	\$7,439,971	7.8%	123.7%

Table C2. Gross State Product (GSP) and Export Share of GSP for Kentucky 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$79,915	4.16%	-
1994	\$86,059	4.87%	17.1%
1995	\$90,073	5.58%	34.1%
1996	\$94,473	6.16%	48.1%
1997	\$100,076	6.90%	65.9%

Table C3. The Export Performance of Selected Major Sectors in Kentucky

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total Kentucky Exports in 1998
Transportation Equipment	\$1,552,973	218.3%	20.87%
Industrial Machinery and Computers	\$1,247,210	250.2%	16.76%
Tobacco Products	\$886,492	22.9%	11.92%
Apparel	\$835,378	2,356.1%	11.23%
Electric & Electronic Equipment	\$586,420	54.2%	7.88%

Table C4. The Export Performance of Kentucky MSAs

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of Kentucky's Exports in 1998
Kentucky	\$7,439,971	123.7%	100.00%
20 Cincinnati, OH-KY-IN	\$6,682,463	71.4%	89.82%*
52 Louisville, KY-IN	\$2,290,365	36.8%	30.78%
60 Lexington, KY	\$1,838,057	194.5%	24.71%
113 Evansville-Henderson, IN-KY	\$595,378	32.7%	8.00%*
211 Huntington-Ashland, WV-KY-OH	\$138,892	1.7%	1.87%*

\*This percentage supplied for comparison of the relative magnitude of the figure for these MSAs. Most of the exports from these MSAs are, of course, counted as exports from IN, OH, and WV, not KY.

Table C5. Major Destinations for Kentucky's Exports

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of Kentucky's Exports in 1998
Canada	\$2,324,953	119.7%	31.2%
Japan	\$1,436,054	86.6%	19.3%
Mexico	\$450,721	137.4%	6.1%
France	\$359,406	475.3%	4.8%
Germany	\$327,064	142.3%	4.4%
United Kingdom	\$308,996	223.3%	4.2%
Honduras	\$243,607	3,503.1%	3.3%
El Salvador	\$155,445	7,542.3%	2.1%
Dominican Republic	\$154,368	10,794.0%	2.1%
Australia	\$131,566	181.2%	1.8%
Belgium	\$121,824	-12.0%	1.6%
Netherlands	\$121,211	126.9%	1.6%

#### D. Maryland's Recent Export Performance

Table D1. Maryland Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$2,713,706	-	-
1994	\$2,848,462	5.0%	5.0%
1995	\$3,438,959	20.7%	26.7%
1996	\$3,509,925	2.1%	29.3%
1997	\$3,860,975	10.0%	42.3%
1998	\$4,013,739	4.0%	47.9%

Table D2. Gross State Product (GSP) and Export Share of GSP for Maryland 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$124,551	2.18%	-
1994	\$132,942	2.14%	-1.8%
1995	\$138,127	2.49%	14.2%
1996	\$144,849	2.42%	11.0%
1997	\$153,797	2.51%	15.1%

Table D3. The Export Performance of Selected Major Sectors in Maryland

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total Maryland Exports in 1998
Electric & Electronic Equipment	\$805,968	153.1%	20.08%
Industrial Machinery and Computers	\$594,820	35.2%	14.82%
Chemical Products	\$485,265	58.0%	12.09%
Transportation Equipment	\$347,749	8.0%	8.66%
Scientific & Measuring Instruments	\$327,905	40.5%	8.17%

Table D4. The Export Performance of Maryland MSAs

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of Maryland's Exports in 1998
Maryland	\$4,013,739	47.9%	100.00%
19 Washington, DC-MD-VA-WV	\$7,347,782	1.3%	183.07%*
25 Wilmington-Newark, DE-MD	\$5,027,356	46.8%	125.25%*
51 Baltimore, MD	\$2,330,989	30.7%	58.08%
246 Cumberland, MD-WV	\$42,576	-22.4%	1.06%

\*This percentage supplied for comparison of the relative magnitude of the figure for these MSAs. Most of the exports from these MSAs are, of course, counted as exports from DC, DE, and VA, not MD.

Table D5. Major Destinations for Maryland's Exports

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of Maryland's Exports in 1998
Canada	\$690,355	14.7%	17.2%
Mexico	\$337,158	250.6%	8.4%
United Kingdom	\$313,539	91.6%	7.8%
Belgium	\$237,823	40.0%	5.9%
Japan	\$188,952	15.8%	4.7%
Netherlands	\$174,379	-17.5%	4.3%
Germany	\$139,354	47.4%	3.5%
France	\$114,068	63.5%	2.8%
Saudi Arabia	\$112,231	14.7%	2.8%
Australia	\$93,327	77.7%	2.3%
Italy	\$92,664	75.4%	2.3%
Hong Kong	\$90,111	74.7%	2.2%

## F. Mississippi's Recent Export Performance

Table F1. Mississippi Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$803,332	-	-
1994	\$1,099,868	36.9%	36.9%
1995	\$1,368,686	24.4%	70.4%
1996	\$1,221,668	-10.7%	52.1%
1997	\$1,421,336	16.3%	76.9%
1998	\$1,414,043	-0.5%	76.0%

Table F2. Gross State Product (GSP) and Export Share of GSP for Mississippi 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$46,605	1.72%	-
1994	\$50,751	2.17%	26.2%
1995	\$53,748	2.55%	48.3%
1996	\$55,757	2.19%	27.3%
1997	\$58,314	2.44%	41.9%

Table F3. The Export Performance of Selected Major Sectors in Mississippi

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total Mississippi Exports in 1998
Agriculture*	\$217,731	287.1%	15.40%
Industrial Machinery and Computers	\$205,540	166.5%	14.54%
Electric & Electronic Equipment	\$130,070	12.8%	9.20%
Chemical Products	\$128,565	108.2%	9.09%
Apparel	\$113,489	268.4%	8.03%

\*This category was calculated by adding the categories of agricultural products, food products, and livestock and livestock products in the OTEA data.

Table F4. The Export Performance of Mississippi MSAs

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of Mississippi's Exports in 1998
Mississippi	\$1,414,043	76.0%	100.00%
39 Memphis, TN-AR-MS	\$3,615,478	75.9%	255.68%*
188 Jackson, MS	\$219,597	55.5%	15.53%
221 Biloxi-Gulfport-Pascagoula, MS	\$117,892	9.0%	8.34%

\*This percentage supplied for comparison of the relative magnitude of the figure for this MSA. Most of the exports from this MSA are, of course, counted as exports from TN and AR, not MS.

Table F5. Major Destinations for Mississippi's Exports

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of Mississippi's Exports in 1998
Canada	\$492,760	61.1%	34.8%
Mexico	\$242,408	860.0%	17.1%
Honduras	\$82,738	92.6%	5.9%
United Kingdom	\$70,359	10.3%	5.0%
Japan	\$44,266	55.8%	3.1%
Russia	\$41,644	248.0%	2.9%
Italy	\$41,591	105.6%	2.9%
Belgium	\$28,823	218.8%	2.0%
Germany	\$26,145	-5.7%	1.8%
Ireland	\$23,055	3,868.2%	1.6%
Brazil	\$22,349	1,149.9%	1.6%
Netherlands	\$22,182	12.9%	1.6%

## G. North Carolina's Recent Export Performance

Table G1. North Carolina Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$7,976,373	-	-
1994	\$8,968,847	12.4%	12.4%
1995	\$10,567,424	17.8%	32.5%
1996	\$11,586,603	9.6%	45.3%
1997	\$13,102,101	13.1%	64.3%
1998	\$12,919,909	-1.4%	62.0%

Table G2. Gross State Product (GSP) and Export Share of GSP for North Carolina 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$168,550	4.73%	-
1994	\$182,268	4.92%	4.0%
1995	\$193,635	5.46%	15.4%
1996	\$203,485	5.69%	20.3%
1997	\$218,888	5.99%	26.6%

Table G3. The Export Performance of Selected Major Sectors in North Carolina

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total North Carolina Exports in 1998
Industrial Machinery and Computers	\$2,069,207	79.1%	16.02%
Chemical Products	\$1,875,352	87.2%	14.52%
Electric & Electronic Equipment	\$1,579,049	53.3%	12.22%
Apparel	\$1,353,022	131.6%	10.47%
Textile Mill Products	\$1,174,730	89.7%	9.09%

Table G4. The Export Performance of North Carolina MSAs

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of North Carolina's Exports in 1998
North Carolina	\$12,919,909	62.0%	100.00%
34 Greensboro-Winston-Salem-High Point, NC	\$4,037,151	64.6%	31.25%
46 Raleigh-Durham-Chapel Hill, NC	\$2,665,615	64.5%	20.63%
47 Charlotte-Gastonia-Rock Hill, NC-SC	\$2,628,936	68.1%	20.35%
74 Norfolk-Virginia Beach-Newport News, VA-NC	\$1,587,335	134.4%	12.29%*
125 Hickory-Morganton, NC	\$529,898	58.1%	4.10%
131 Wilmington, NC	\$478,664	225.5%	3.70%
182 Asheville, NC	\$232,955	0.3%	1.80%
229 Fayetteville, NC	\$96,431	77.5%	0.75%

\*This percentage supplied for comparison of the relative magnitude of the figure for this MSA. Most of the exports from this MSA are, of course, counted as exports from VA, not NC.

Table G5. Major Destinations for North Carolina's Exports

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of North Carolina's Exports in 1998
Canada	\$3,719,299	62.5%	28.8%
Mexico	\$1,564,683	328.6%	12.1%
Japan	\$779,571	8.2%	6.0%
United Kingdom	\$708,610	126.4%	5.5%
Germany	\$515,416	46.2%	4.0%
Belgium	\$377,399	-29.8%	2.9%
France	\$315,662	156.8%	2.4%
Costa Rica	\$304,132	91.6%	2.4%
Netherlands	\$281,958	19.5%	2.2%
Brazil	\$259,431	198.2%	2.0%
Hong Kong	\$246,275	55.1%	1.9%
Honduras	\$218,612	278.3%	1.7%

## H. South Carolina's Recent Export Performance

Table H1. South Carolina Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$3,219,519	-	-
1994	\$3,510,116	9.0%	9.0%
1995	\$4,497,870	28.1%	39.7%
1996	\$4,924,922	9.5%	53.0%
1997	\$5,673,836	15.2%	76.2%
1998	\$5,856,943	3.2%	81.9%

Table H2. Gross State Product (GSP) and Export Share of GSP for South Carolina 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$75,205	4.28%	-
1994	\$80,684	4.35%	1.6%
1995	\$85,137	5.28%	23.4%
1996	\$88,343	5.57%	30.1%
1997	\$93,259	6.08%	42.1%

Table H3. The Export Performance of Selected Major Sectors in South Carolina

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total South Carolina Exports in 1998
Electric & Electronic Equipment	\$1,115,633	85.0%	19.05%
Transportation Equipment	\$1,077,932	348.1%	18.40%
Industrial Machinery and Computers	\$745,679	8.5%	12.73%
Chemical Products	\$540,616	53.5%	9.23%
Textile Mill Products	\$401,837	44.0%	6.86%

Table H4. The Export Performance of South Carolina MSAs

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of South Carolina's Exports in 1998
South Carolina	\$5,856,943	81.9%	100.00%
42 Greenville-Spartanburg-Anderson, SC	\$3,124,156	113.7%	53.34%
47 Charlotte-Gastonia-Rock Hill, NC-SC	\$2,628,936	68.1%	44.89%*
101 Charleston-North Charleston, SC	\$837,895	40.3%	14.31%
126 Augusta-Aiken, GA-SC	\$519,588	128.5%	8.87%*
155 Columbia, SC	\$346,618	62.8%	5.92%
238 Florence, SC	\$71,407	7.7%	1.22%

\*This percentage supplied for comparison of the relative magnitude of the figure for these MSAs. Most of the exports from these MSAs are, of course, counted as exports from GA and NC, not SC.

Table H5. Major Destinations for South Carolina's Exports

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of South Carolina's Exports in 1998
Canada	\$1,710,814	69.5%	29.2%
Mexico	\$1,054,264	259.5%	18.0%
Germany	\$748,412	231.9%	12.8%
United Kingdom	\$337,123	47.9%	5.8%
Japan	\$247,784	61.8%	4.2%
Taiwan	\$135,589	161.2%	2.3%
Belgium	\$123,702	78.4%	2.1%
Italy	\$118,795	111.2%	2.1%
Hong Kong	\$97,614	14.2%	1.7%
France	\$94,292	-7.8%	1.6%
Brazil	\$88,714	473.8%	1.5%
Netherlands	\$88,103	-21.2%	1.5%

## I. Tennessee's Recent Export Performance

Table I1. Tennessee Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$6,151,139	-	-
1994	\$7,506,236	22.0%	22.0%
1995	\$9,460,503	26.0%	53.8%
1996	\$9,328,342	-1.4%	51.7%
1997	\$9,916,912	6.3%	61.2%
1998	\$9,872,507	-0.4%	60.4%

Table I2. Gross State Product (GSP) and Export Share of GSP for Tennessee 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$116,658	5.27%	-
1994	\$127,852	5.87%	11.4%
1995	\$134,489	7.03%	33.4%
1996	\$138,761	6.72%	27.5%
1997	\$146,999	6.75%	27.9%

Table I3. The Export Performance of Selected Major Sectors in Tennessee

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total Tennessee Exports in 1998
Agriculture*	\$1,486,795	268.2%	15.06%
Transportation Equipment	\$1,476,133	66.8%	14.95%
Chemical Products	\$1,426,631	32.1%	14.45%
Industrial Machinery and Computers	\$1,115,005	67.4%	11.29%
Electric & Electronic Equipment	\$996,384	94.5%	10.09%

\*This category was calculated by adding the categories of agricultural products, food products, and livestock and livestock products in the OTEA data.

Table I4. The Export Performance of Tennessee MSAs

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of Tennessee's Exports in 1998
Tennessee	\$9,872,507	60.5%	100.00%
39 Memphis, TN	\$3,615,478	75.9%	36.62%
58 Nashville, TN	\$1,868,718	69.3%	18.93%
73 Johnson City-Kingsport-Bristol, TN-VA	\$519,588	17.0%	5.26%
100 Knoxville, TN	\$858,349	47.9%	8.69%
159 Chattanooga, TN-GA	\$337,090	54.4%	3.41%
179 Jackson, TN	\$241,754	123.8%	2.45%

Table I5. Major Destinations for Tennessee's Exports

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of Tennessee's Exports in 1998
Canada	\$2,589,129	54.2%	26.2%
Mexico	\$1,288,294	98.2%	13.0%
United Kingdom	\$619,903	82.3%	6.3%
Japan	\$614,743	58.1%	6.2%
Netherlands	\$417,039	9.7%	4.2%
Germany	\$366,731	21.4%	3.7%
France	\$298,949	67.4%	3.0%
Hong Kong	\$238,974	181.2%	2.4%
Australia	\$209,119	58.0%	2.1%
Brazil	\$205,653	87.1%	2.1%
Taiwan	\$200,706	-2.3%	2.0%
South Korea	\$187,574	3.1%	1.9%

## J. Virginia's Recent Export Performance

Table J1. Virginia Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$8,118,380	-	-
1994	\$9,947,272	22.5%	22.5%
1995	\$10,425,230	4.8%	28.4%
1996	\$10,925,992	4.8%	34.6%
1997	\$11,512,427	5.4%	41.8%
1998	\$11,459,928	-0.5%	41.2%

Table J2. Gross State Product (GSP) and Export Share of GSP for Virginia 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$169,972	4.78%	-
1994	\$178,788	5.56%	16.3%
1995	\$188,002	5.55%	16.1%
1996	\$198,560	5.50%	15.1%
1997	\$211,331	5.45%	13.4%

Table J3. The Export Performance of Selected Major Sectors in Virginia

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total Virginia Exports in 1998
Tobacco Products	\$3,424,859	35.1%	29.89%
Electric & Electronic Equipment	\$1,105,271	99.7%	9.64%
Industrial Machinery and Computers	\$1,085,018	38.2%	9.47%
Bituminous Coal & Lignite	\$863,235	172.1%	7.53%
Chemical Products	\$776,972	42.2%	6.78%

Table J4. The Export Performance of Virginia MSAs

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of Virginia's Exports in 1998
Virginia	\$11,459,928	41.2%	100.00%
19 Washington, DC-MD-VA-WV	\$7,347,782	1.3%	64.12%*
23 Richmond-Petersburg, VA	\$5,396,007	34.5%	47.09%
73 Johnson City-Kingsport-Bristol, TN-VA	\$1,587,388	17.0%	13.85%*
74 Norfolk-Virginia Beach-Newport News, VA-NC	\$1,587,335	134.4%	13.85%
134 Lynchburg, VA	\$442,788	209.1%	3.86%
138 Roanoke, VA	\$436,741	166.2%	3.81%
194 Charlottesville, VA	\$191,363	68.1%	1.67%
236 Danville, VA	\$74,946	-56.7%	0.65%

\*This percentage supplied for comparison of the relative magnitude of the figure for this MSA. Most of the exports from these MSA are counted as exports from DC, MD and TN, not VA.

Table J5. Major Destinations for Virginia's Exports

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of Virginia's Exports in 1998
Canada	\$1,835,883	74.5%	16.0%
Japan	\$1,458,003	18.7%	12.7%
Belgium	\$1,048,636	82.4%	9.2%
Germany	\$620,402	44.5%	5.4%
South Korea	\$605,132	15.4%	5.3%
Mexico	\$547,207	81.0%	4.8%
Brazil	\$347,179	192.3%	3.0%
United Kingdom	\$346,217	-18.3%	3.0%
Netherlands	\$331,397	147.0%	2.9%
Saudi Arabia	\$285,486	-12.1%	2.5%
France	\$248,955	112.7%	2.2%
Spain	\$238,887	36.5%	2.1%

## K. West Virginia's Recent Export Performance

Table K1. West Virginia Merchandise Exports 1993-1998

Year	Exports in Current Dollars (1,000s)	Growth from previous year	Growth from 1993
1993	\$754,077	-	-
1994	\$940,642	24.7%	24.7%
1995	\$1,097,937	16.7%	45.6%
1996	\$1,217,925	10.9%	61.5%
1997	\$1,298,817	6.6%	72.2%
1998	\$1,178,228	-9.3%	56.2%

Table K2. Gross State Product (GSP) and Export Share of GSP for West Virginia 1993-1997

Year	GSP in Current Dollars (Millions)	Exports as a Share of GSP	Growth from 1993 of Export Share
1993	\$31,938	2.36%	-
1994	\$34,465	2.73%	15.7%
1995	\$35,942	3.05%	29.2%
1996	\$37,196	3.27%	38.6%
1997	\$38,228	3.40%	44.1%

Table K3. The Export Performance of Selected Major Sectors in West Virginia

Sector	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Share of Total West Virginia Exports in 1998
Bituminous Coal & Lignite	\$327,535	72.6%	27.80%
Chemical Products	\$262,878	10.1%	22.31%
Primary Metals	\$200,083	77.5%	16.98%
Industrial Machinery and Computers	\$112,564	67.1%	9.55%
Lumber & Wood Products	\$57,791	95.9%	4.90%

**Table K4. The Export Performance of West Virginia MSAs**

MSA and National Rank of MSA by 1998 value of Exports (of 253 MSAs)	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	MSA Exports as a Share of West Virginia's Exports in 1998
West Virginia	\$1,178,228	56.2%	100.00%
19 Washington, DC-MD-VA-WV	\$7,347,782	1.3%	623.63%*
145 Charleston, WV	\$396,693	121.7%	33.67%
178 Parkersburg-Marietta, WV-OH	\$246,616	-17.5%	20.93%
211 Huntington-Ashland, WV-KY-OH	\$138,892	1.7%	11.79%
227 Wheeling, WV	\$99,662	1,253.1%	8.46%
246 Cumberland, MD-WV	\$42,567	-22.4%	3.61%*

\*This percentage supplied for comparison of the relative magnitude of the figure for these MSAs. Most of the exports from these MSAs are counted as exports from DC, MD and VA, not WV.

**Table K5. Major Destinations for West Virginia's Exports**

Country	Exports in 1998 in Current Dollars (1,000s)	Export Growth from 1993 to 1998	Country's Share of West Virginia's Exports in 1998
Canada	\$503,366	76.1%	42.7%
United Kingdom	\$116,437	242.3%	9.9%
Japan	\$115,178	132.5%	9.8%
Mexico	\$55,805	166.1%	4.7%
Belgium	\$48,487	1,120.1%	4.1%
Brazil	\$45,055	485.9%	3.8%
Italy	\$39,385	-8.9%	3.3%
Australia	\$27,210	164.4%	2.3%
Netherlands	\$26,927	-41.2%	2.3%
Germany	\$22,117	40.6%	1.9%
Singapore	\$20,971	-46.7%	1.8%
Spain	\$20,826	56.6%	1.8%

## **ABOUT THE AUTHOR**

Robert E. Moore is Associate Professor of Economics in the Andrew Young School of Policy Studies. His academic publications on international trade, economic development, and applied microeconomics have appeared in numerous journals. He earned his Ph.D. degree in economics from Cornell University.