



Florida

Benefits From Exports

Florida's export sales of merchandise in 2000 totaled \$24.2 billion, up 7.4 percent from 1999 and 65 percent above the 1993 total of \$14.7 billion. In 2000, Florida recorded the ninth largest export total among the states.

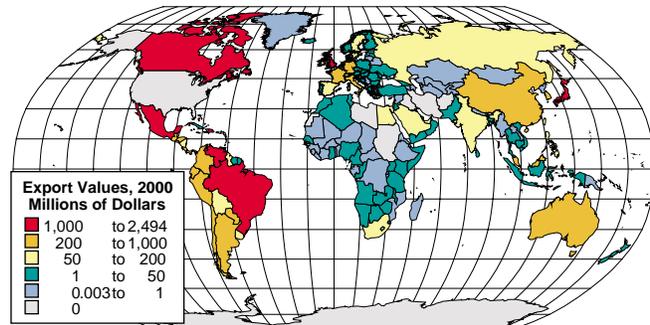
Florida exports globally to 213 foreign destinations. Buoyed by the North American Free Trade Agreement, two of the state's top three markets are NAFTA countries. Canada is Florida's biggest market (10.3 percent of 2000 exports), followed by Brazil (8.4 percent), and Mexico (8.1 percent). Other top markets include Japan, Venezuela, the Dominican Republic, the United Kingdom, Colombia, Germany, Argentina, and China.

Florida's biggest growth market, in dollar terms, is Japan. From 1997 to 2000, export sales to Japan grew from \$588 million to \$1.4 billion—an increase of 138 percent. Following Japan were the NAFTA nations of Mexico (exports up from \$1.2 billion to \$2.0 billion) and Canada (up from \$1.9 billion to \$2.5 billion). Among the state's other important growth markets are the United Kingdom, Germany, Malaysia, Israel, the Bahamas, the Dominican Republic, Trinidad and Tobago, and Hong Kong.

The state's leading export category is computers and electronic products, which alone accounted for 33

FLORIDA EXPORTED GOODS WORTH \$24.2 BILLION TO 213 FOREIGN MARKETS IN 2000

Dollar Value of Florida's Merchandise Exports to Foreign Markets, 2000

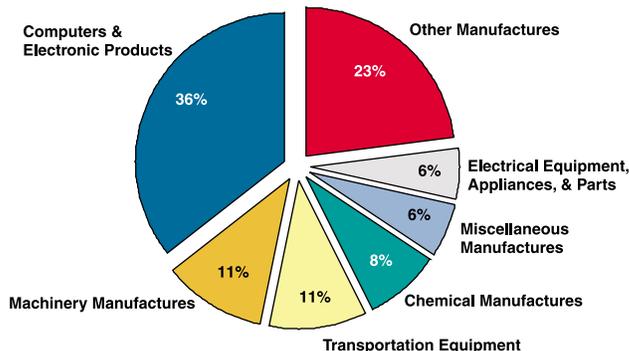


Source: U.S. Department of Commerce, Exporter Location Series.

percent—fully one-third—of Florida's total exports in 2000. Other top manufactured exports are transportation equipment, machinery, chemicals, electrical equipment, appliances and parts, and miscellaneous manufactures. The state also exports significant quantities of farm products and other nonmanufactured commodities.

Within Florida, Miami led all metropolitan areas with 1999 export sales of \$11.9 billion—nearly half the state total and the ninth largest total among the 253 U.S. metro areas for which statistics are available. Miami was followed by Tampa–St. Petersburg–Clearwater, Fort Lauderdale, Orlando, West Palm Beach–Boca Raton, and Jacksonville. Metro areas that posted the fastest export growth during 1993–99 were Tallahassee, Melbourne–Titusville–Palm Bay, and Jacksonville.

FLORIDA EXPORTS A WIDE RANGE OF MANUFACTURES: \$22.6 BILLION IN 2000



Note: Manufactures are a subcategory of total merchandise exports, which also include mining commodities and unprocessed agricultural products.

Source: U.S. Department of Commerce, Exporter Location Series.

Exports Support Good Jobs

Export-related jobs tend to be good, high-paying jobs. Wages of workers in jobs supported by goods exports range 13–18 percent higher than the national average. Export-related jobs are more secure: Exporting plants are 9 percent less likely to shut down than comparable nonexporting plants.

In 1997 (latest available data), Florida depended on manufactured exports for 160,800 jobs—the 15th highest total among

the states. Export-supported jobs accounted for an estimated 2.8 percent of Florida's total private sector employment.

Manufactured exports supported 61,100 jobs—roughly one of every seven workers—in Florida's manufacturing industries. Manufacturing sectors with the most export-related jobs were computers and electronic products, transportation equipment, machinery, chemicals, fabricated metal products, and miscellaneous manufactures.

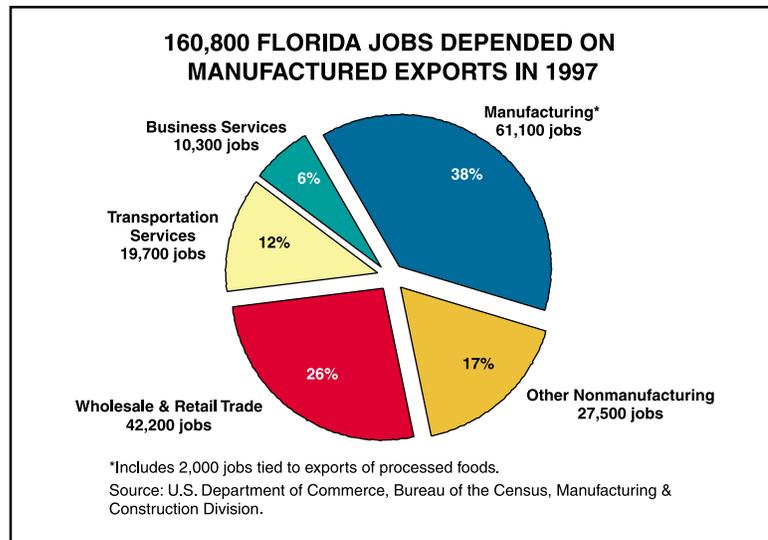
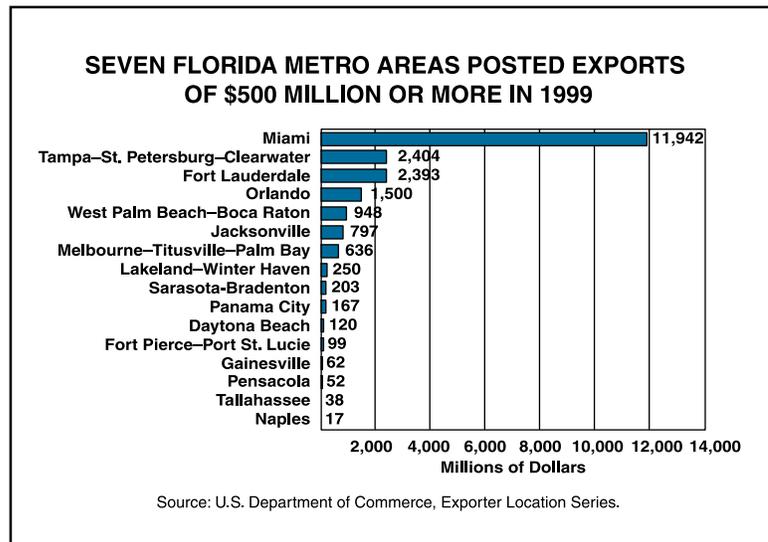
Exports of manufactured goods also indirectly supported 99,700 jobs in the state's nonmanufacturing industries. These industries supply manufacturers with a wide range of inputs needed to produce goods for export.

Exports Help Small Business

Exports have broadly benefited Florida's businesses—both large and small. In fact, small and medium-sized companies (fewer than 500 workers) were responsible for 59 percent of Florida's total 1998 merchandise exports—well above the national average of 29 percent. In that year, 20,597 of the state's 22,295 known exporters (about 93 percent) were small or medium-sized businesses. Seventy-two percent of Florida's exporters in 1998 were very small firms that had fewer than 20 employees.

Foreign Competitors Are Not Standing Still

While previous rounds of trade negotiations were highly successful in reducing trade barriers, much



work remains to be done to level the playing field for U.S. businesses. In fact, the United States has fallen behind our trading partners in combating market barriers through free trade agreements. The United States is a party to just two of the estimated 130 free trade agreements in force worldwide. In comparison, the European Union has FTAs with 27 countries. Since U.S. tariffs are already low compared to those of our trading partners, the United States has a great deal to gain from future negotiations aimed at prying open foreign markets.

Florida Industries Can Gain From Trade Negotiations

Florida's exporters still face many tariff and nontariff barriers abroad, especially in developing countries. While developing nations are among the most promising markets, they also tend to have high levels of import protection. Trade negotiations aimed at reduc

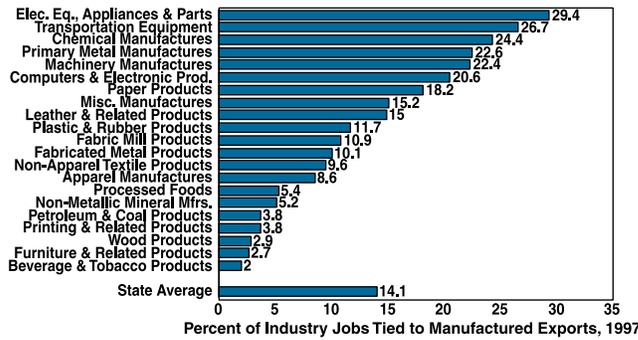
TRADE PROMOTION AUTHORITY—KEY TO OPENING WORLD MARKETS

U.S. Trade Promotion Authority (also known as TPA or "fast track") is essentially an agreement between the President and Congress on how market-opening trade negotiations will be conducted and agreements approved.

Under TPA, the President involves Congress in trade negotiations from the start; Congress, in exchange, agrees to vote yes or no on any resulting agreement in its entirety, without amendments. The two branches set negotiating objectives and consult during trade talks while inviting public comment. This open process allows problems to be identified and resolved during negotiations, when agreement is most easily achieved.

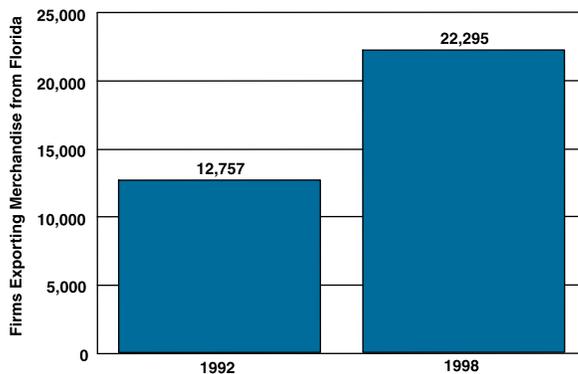
TPA preserves the ability of the United States to protect public health, safety, and the environment.

ABOUT ONE-SEVENTH OF MANUFACTURING JOBS IN FLORIDA WERE TIED TO EXPORTS IN 1997



Note: In 1997, 14.1 percent of the 433,100 manufacturing jobs in Florida were tied to manufactured exports—some 61,100 jobs. For any given manufacturing sector, export-related employment includes all workers producing goods for export or of inputs to the export manufacturing process.
Source: U.S. Department of Commerce, Bureau of the Census, Manufacturing & Construction Division.

THE NUMBER OF COMPANIES EXPORTING FROM FLORIDA ROSE 76 PERCENT FROM 1992 TO 1998



Source: U.S. Department of Commerce, Exporter Data Base.

ing these barriers will significantly benefit Florida’s businesses across many industrial sectors.

Information technology. Florida is the home of many high-tech industries and benefits from the Information Technology Agreement. The agreement eliminates duties on the entire IT sector in major markets throughout the world, with the exception of the larger markets of Latin America. Tariffs on IT products in key Latin American markets remain as high as 30 percent. Beyond tariffs, IT products also face nontariff restrictions such as redundant testing and certification requirements. U.S. suppliers, including those in Florida, would likely see sales rise if remaining barriers to IT products were eliminated.

Civil aircraft and parts. The U.S. civil aircraft industry is the largest in the world. In 2000, total exports of U.S. civil aircraft, engines, and parts were \$45 billion. Over the last five years, three of every five

large civil aircraft produced in the United States were exported. The World Trade Organization Agreement on Trade in Civil Aircraft provides for duty-free import of civil aircraft and their components by the 26 signatories to this agreement. However, import tariffs in nonsignatory countries remain as high as 30 percent. Also, a number of nontariff barriers impede Florida’s exports of civil aircraft and parts. For example, some countries do not promptly or fully recognize the safety and international noise certification compliance of all U.S. civil aircraft.

Medical equipment. While Florida exporters of medical equipment enjoy zero tariffs in several key markets as a result of the Uruguay Round, many developing countries continue to maintain high tariffs. The MERCOSUR nations of Latin America impose tariffs as high as 20 percent, while India and the ASEAN countries have rates as high as 40 percent. The industry also faces nontariff barriers in major Latin American and Asian markets in the form of redundant and costly registration and certification requirements. As a result, the industry is seeking adoption of international standards to improve the transparency of government procedures for product certification and approval.

Chemicals. Florida exports a variety of chemical products. TPA would allow the United States to build on duty reductions established under the Uruguay Round Chemical Tariff Harmonization Agreement

FLORIDA: WHY TRADE PROMOTION AUTHORITY?

Trade Promotion Authority is critical for removing remaining barriers to exports of Florida goods and services.

Florida exporters still face major trade barriers in such sectors as information technology, civil aircraft and parts, medical equipment, and chemicals.

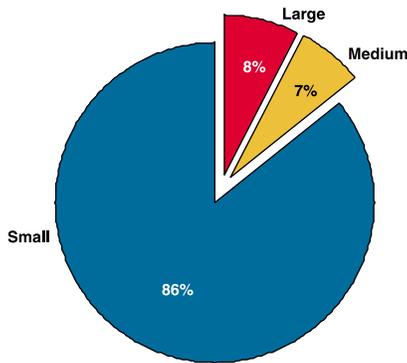
With the United States on the sidelines, foreign competitors are forging ahead and pursuing their own market-opening agreements.

Florida’s economy is export-dependent, with export sales of \$1,515 for every state resident.

Nearly 161,000 Florida jobs depend on exports of manufactured goods.

22,295 companies—including 20,597 small and medium-sized businesses—export from Florida.

93 PERCENT OF FLORIDA'S 22,295 EXPORTING FIRMS IN 1998 WERE SMALL AND MEDIUM-SIZED ENTERPRISES



Small = less than 100 employees; medium = 100–499 employees; large = 500 or more employees.
Source: U.S. Department of Commerce, Exporter Data Base.

(CTHA), which reduced tariffs to harmonized low levels on a range of products from fertilizers to plastics. Since the end of the Uruguay Round, more advanced developing countries, most of which do not participate in the CTHA, have become increasingly important chemical producers. Tariffs in Asian countries outside the CTHA range up to 60 percent. New negotiations would offer the opportunity to address tariff disparities and the many nontariff barriers facing the chemical industry.

Agriculture. Florida is a major producer and exporter of agricultural products. According to the U.S. Department of Agriculture, Florida's farm cash receipts totaled \$7.1 billion in 1999, and it was the 14th largest agricultural exporter, with exports of \$1.1 billion. Since 1991, the state's reliance on agricultural exports has ranged from 15 percent to 20 percent as measured by export's share of farm cash receipts. Florida's top agricultural exports are fruits and products, vegetables and products, feeds and fodders, live animals and red meats, and poultry and products. Florida already benefits from past trade agreements. Under the Uruguay Round, Japan and South Korea committed to substantial tariff cuts on a wide range of fresh and processed fruits. For example, Japan lowered its tariffs to 10 percent on fresh grapefruit, and to between 16 percent and 32 percent on fresh oranges. Japan also lifted remaining import restrictions on fresh U.S. tomatoes in 1999. South Korea is reducing tariffs on fresh grapefruit from 50 percent to 30 percent, has established a tariff-rate quota for oranges, and is reducing its tariffs on oranges from 99 percent to 50 percent by 2004. While progress has

been made, U.S. agricultural exports still face high tariff and nontariff barriers worldwide.

Services. Services are the biggest component of the U.S. economy and now account for more than one-fourth (28 percent) of U.S. exports to the world. Service exports in 2000 totaled \$296 billion; the United States ran a surplus of nearly \$80 billion in services trade with the world. Exportable services include transportation services (e.g., air freight), financial services (e.g., banking, insurance) and business services (e.g., engineering, architecture). Service industries confront a wide range of barriers abroad. Trade Promotion Authority will provide added impetus to the new round of global services trade negotiations now

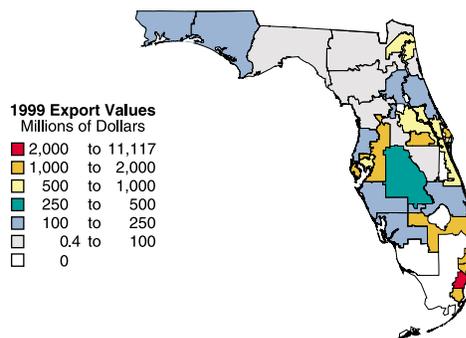
under way to dismantle these barriers.

Imports Also Important to Florida

While exports generate clear benefits for the Florida economy (jobs, wages, expanded tax base, etc.), the role of imports is less clear—especially since no import statistics are available for states on an end-user basis. Although many often equate imports with “lost” jobs, the reality is usually much more complex. For example, there is no doubt that imports supply critical inputs for many of the goods and services produced in Florida, including products destined for export. Imports often play a key role in ensuring supplies of vital materials that are either scarce or simply not available domestically. More generally, imports provide consumers and businesses in Florida with wider choice in the marketplace, thereby enhancing living standards and contributing to competitiveness.

EXPORTS ARE SOLD FROM ALL OVER FLORIDA

Florida's Merchandise Exports by Three-Digit Zip Code, 1999



Note: Florida's total merchandise exports in 1999 were \$22.5 billion. Due to federal disclosure regulations, shading of zip codes 335 & 337 refers to combined exports from these areas. Unshaded areas represent national forests and parks, federal and military reservations, localities without exports, and areas where export data are suppressed due to federal disclosure regulations.
Source: U.S. Department of Commerce, Exporter Location Series.