



2019 Value of Jobs
OREGON'S STATE OF TRADE

This report, conducted by ECONorthwest, and led by the Portland Business Alliance, Pacific Northwest International Trade Association (PNITA) and the Value of Jobs coalition, tracks the latest data available on Oregon's role in the global market.

Trade is a major driver of Oregon's economy.

When it comes to international trade, Oregon continues to punch above its weight. From Tillamook cheese, to Columbia Sportswear and A-dec medical equipment, we produced and exported a record \$28 billion in goods and services in 2017.

Jobs connected to trade pay more, and are three times more productive, contributing to the health and resiliency of our economy.

Oregon's location along the Pacific Rim offers efficient transport of goods via air, water, rail and road to national and international markets. At the same time, a growing list of direct air connections is helping connect Oregon businesses to the world and tourists to our state.

While this report looks at the latest production and export statistics available, news of volatile policy negotiations and a global cooldown on trade are beginning to show their impact. An increase in policy barriers ultimately means less trade activity, leaving Oregon's economy vulnerable to job and wage impacts.

**TRADE IN OREGON
AT A GLANCE**

505,700

jobs connected to trade (1 in 5).

\$58,730

average wage, weighted,
11% above state average.

\$28 billion

produced and exported
goods and services in 2017.

12%

gross domestic product (GDP)
depends on exports.

88%

exporters are small and
medium businesses.

For the full report, visit:

ValueofJobs.com/TradeinOR
#TradeinOR



the value of trade in Oregon

\$28 BILLION
in exported goods and services in 2017

12%
of the state's overall GDP

13th
in the nation for exports as share of GDP

JOBS IN TRADE ARE GROWING

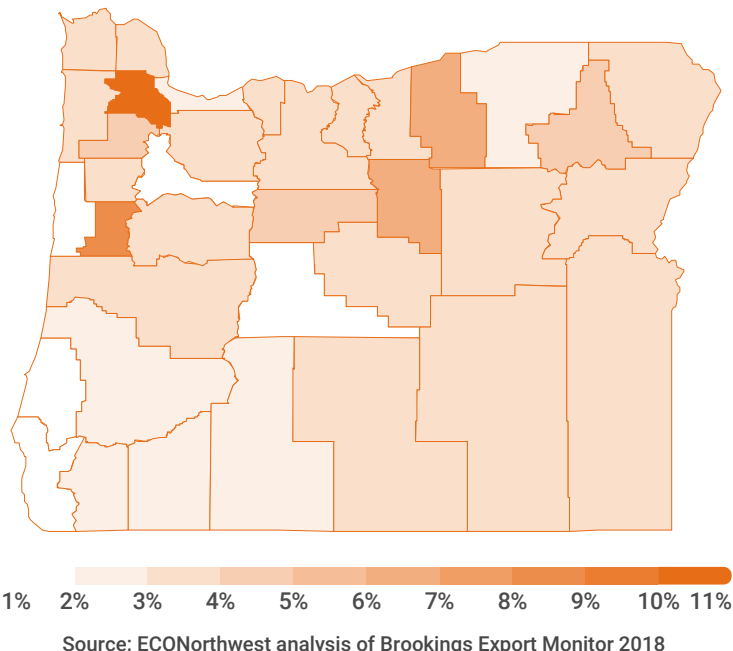
One fifth of jobs in Oregon are supported by trade, and are reflected in a variety of industries, including advanced manufacturing, high-tech, agriculture, sports apparel, business services, tourism, and forest and wood products.

A total of 505,700 jobs across Oregon are supported by international trade and expand across rural and urban communities. Jobs include those working directly making products for export, as well as those working indirectly, from logistics and transport of goods and services, to supporting international tourism.

indirect trade jobs: jobs related to suppliers, logistics, transporters, business-related tourism, and output related to wages.

Exports directly support 103,540 jobs in Oregon. The highest share of jobs directly supported by exports is in Washington County — where more than 41,000 employees represent 11% of the workforce. Wheeler and Morrow counties rank third and fourth in the state, respectively, aided by the Port of Morrow, a key port for Oregon's agricultural sector. **See Figure 1.**

FIGURE 1: Proportion of all jobs directly supported by international exports, by county, 2017

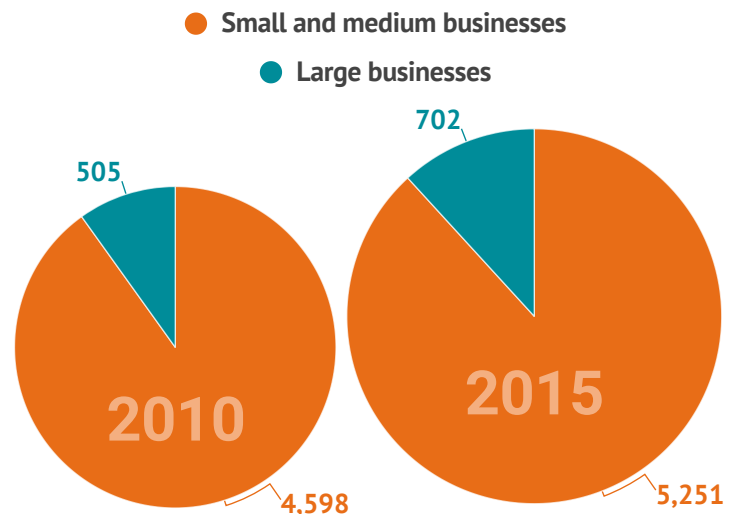


Trade related jobs in Oregon pay more on average. Employees working in export industries earn 11% more (\$58,730) than the state average of \$53,058.

Though we often think of multinational firms when talking about trade, the vast majority of exporters in Oregon continue to be small and medium businesses with fewer than 500 employees. These businesses account for the majority of Oregon exporters (88%) and represent 27% of the value of all exports. **See Figure 4.**

While these companies directly export, many other small to medium-sized Oregon supply-chain firms provide labor or components to the finished, exported product. Given their smaller size, these firms may be more vulnerable to shifts in the global trade markets and less likely to withstand prolonged disruptions in the trade environment on which they depend.

FIGURE 4: Number of international trading businesses by size, 2010 and 2015



Source: Department of Commerce International Trade Administration

WHAT AND WHERE IS OREGON TRADING?

In Oregon, we export more goods than we import, making us among only 12 states that have a trade surplus. Much of this growth is driven by Oregon's high-tech, manufacturing and agriculture sectors.

In a time when other states are seeing a decline, Oregon's manufacturing industry continues to thrive, making everything from knives and recreational vehicles, to industrial machinery and commercial transportation equipment.

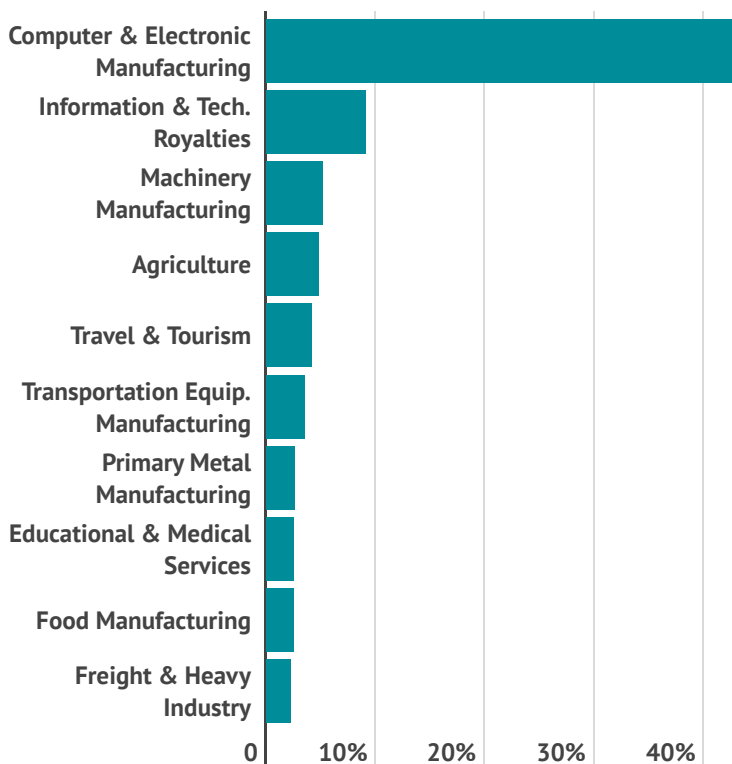
From blueberries, cherries, and hazelnuts, to wheat, potatoes, grasses and hay, Oregon's agricultural sector is feeding the world. We trade 80% of our agricultural products outside of Oregon and 40% internationally.

Agriculture is the state's fastest growing industry by value, and is driven by expanding demand for Oregon products in Asian markets and Canada, followed by the educational and medical services industry.

Computer and electronics manufacturing comprise 43% of the total export value in 2017. **See Figure 5.**

While much attention has been focused on exports, intermediate imports, which are raw materials or components used for production, are also incredibly important. Nearly 75% of Oregon imports from Canada are estimated to be intermediate goods, along with nearly 40% of imports from Mexico.

FIGURE 5: Value of internationally exported goods and services produced in Oregon by industry, 2017



Source: Brookings Export Monitor, 2018

Oregon trades with nearly 150 countries. Top trading partners include China, Canada, Japan, South Korea, Vietnam and Malaysia. **See Figure 8.** Since 2010, the value of goods exported from Oregon has increased for nine out of 10 of our top trading partners.

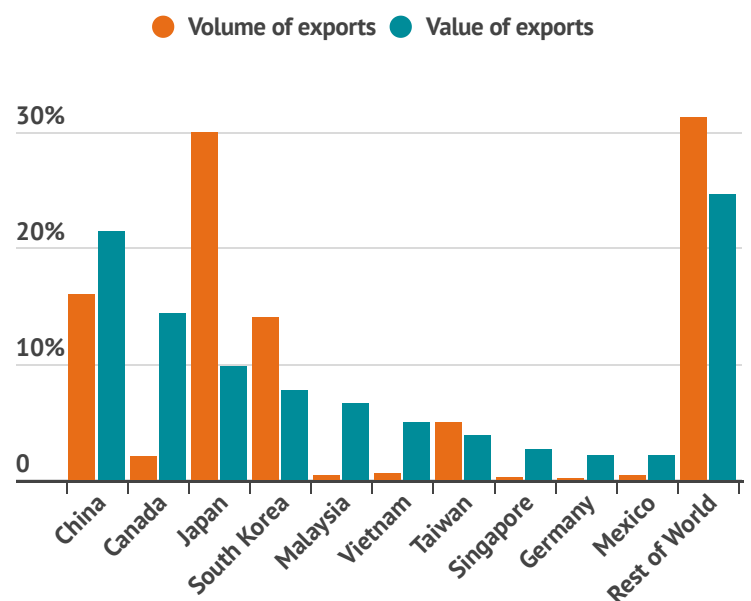
Vietnam is an increasingly important market for Oregon exports and our commercial supply chains. With Columbia Sportswear, Nike and Intel all having significant investments in Vietnam, it's no wonder Oregon exports to the country have grown by 432% since 2010. **See Figure 9 online.**

The only decline in our top trading partners is Malaysia, down 52% since 2010. The decrease in export value to Malaysia from Oregon mirrors trends seen at the national level, and is likely driven by changes in the production process for semiconductors rather than a large shift in final goods traded with Malaysia.

Oregon exports to Korea and Mexico have grown 58% and 54%, respectively, since 2010. Both have free trade agreements with the United States (U.S.).

Trade related activity with Canada and Mexico - partners in the North American Free Trade Agreement (NAFTA) and potentially the U.S.-Mexico-Canada Agreement (USMCA) - supported 154,000 Oregon jobs in 2017. Trade with China supported 83,000 jobs, and trade activity with the European Union accounted for 72,000 jobs in 2017.

FIGURE 8: Top 10 Oregon goods export destinations by share of value and share of total volume, 2018



Note: Reflects origin of movement, not production/consumption

Source: U.S. Census Trade USA

INTERNATIONAL TRADE IN PORTLAND

In Portland,* much of the value of trade is driven by the semiconductor industry, however, many other products from Oregon make their way through the region for international export.

KEY PORTLAND FACTS:

- Portland is **14th out of top 100 U.S. metros** for share of GDP related to trade.
- **12.6%** of the region's GDP in 2017 was international trade.

- Trade directly supports **76,700 jobs** in Portland.
- Portland exported **\$20 billion** in goods and services, while other metros combined (Albany, Eugene, Salem, Corvallis, Bend, Medford, and Grants Pass) exported a total of nearly \$2.1 billion.
- **\$8.8 billion** in value and **1.58 million tons** of goods moved through our region's three main ports and airport facilities in 2018.

* NOTE: In this report, Portland refers to the Metropolitan Statistical Area (MSA) of Portland-Vancouver-Hillsboro, OR-WA.

For the full report, visit: ValueofJobs.com/TradeinOR

WHY THIS MATTERS

International trade supports one-fifth of all jobs in Oregon and underpins our economy. Yet, global markets are experiencing structural and cyclical changes, causing a global cooldown on trade that is only exacerbated by our shifting federal policies.

The threat of protectionist policies such as tariffs, trade quotas, or other restrictions could potentially lead to:

- Loss of market access for products, which may cause job loss and some companies to close;
- Small companies, serving supply-chain, trade logistics and transportation needs, lose business; and
- Consumers and families will pay more for basic goods.

Together, it's time to take action to protect the jobs, businesses, and industries that keep Oregon competitive.

A CALL TO ACTION:

- Encourage leaders to ensure the U.S. retains a free trade agreement with Canada and Mexico.
- Support new trade agreements to expand access for Oregon products; creating more jobs.
- Advocate for programs to retool and up-skill workers for new traded sector industries.
- Invest in the maintenance, expansion and resiliency of our infrastructure to ensure businesses can efficiently move export products nationally and internationally.
- Strengthen support for local, state and federal export assistance programs, helping small businesses enter the trade markets.

This Value of Jobs coalition report is made possible by generous support from:

BANK OF AMERICA 

*Learn more at ValueofJobs.com.
Members of the Value of Jobs coalition.*



Pacific Northwest International Trade Association (PNITA) is an affiliate organization of the Portland Business Alliance, greater Portland's chamber of commerce. PNITA is dedicated to supporting the global competitiveness of our region through education and advocacy on issues affecting Pacific Northwest industries reliant on international commerce. Learn more at: PortlandAlliance.com/PNITA.