

CAPITOL RESEARCH

● ● ● FISCAL AND ECONOMIC DEVELOPMENT

State Overseas Trade and Investment Offices, 2013

State-supported export promotion and foreign direct investments are now a key ingredient to state economic development strategies as state leaders recognize the importance of global markets in the creation of domestic jobs. States support international trade and investment by maintaining or contracting for overseas international trade offices that promote the state's trade interests and facilitate trade and investment with potential international partners.¹

The number of state overseas trade offices has fluctuated over the years.

- States began establishing overseas trade offices on a large scale in the 1980s and 1990s, although it is believed New York established the first state overseas trade office in 1954 when it opened an office in Europe.²
- As of April 2013, 39 states maintained or contracted for overseas international trade offices. States maintain as few as one and up to 15 offices overseas, with a median number of three offices.³
- Pennsylvania operates the most overseas offices—15—followed by Florida with 13 offices and Maryland and Georgia, each maintaining 10 offices.
- Ten states maintain one or two offices overseas.
- States currently maintain at least 177 overseas trade offices in 28 countries.
- The number of overseas offices is down from an estimated 228 offices that were in operation in 2002, although the number of states operating offices has remained approximately the same.⁴
- Twenty-eight states maintain an overseas trade office in China, the most of any country. Japan and Mexico, each of which have 19 state offices, rank second among the countries with the highest number of trade offices.
- Nine countries have only one state office operating within their borders.
- Eleven states—Arizona, California, Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, Rhode Island, South Dakota, Vermont and Wyoming—did not operate overseas offices in 2013. Vermont, however, reports that the state does contract with the Vermont Chamber of Commerce to help facilitate trade and business in China, but does not specifically contract with the chamber to maintain an office overseas.



Exports play an increasingly important role in the economic health and stability of states.

- The value of total goods and services exported in 2012 reached a record \$2.2 trillion and supported 9.8 million jobs nationally.
- According to the U.S. Department of Commerce,⁵ 29 states also set new records for export sales and 35 states saw an increase in merchandise export growth in 2012—20 of which saw growth rates of 5 percent or more. Nationally, exports increased 4.5 percent from 2011 to 2012.
- New Mexico's exports grew the fastest of any state (42.5 percent), followed by Arkansas (35.9 percent) and Nevada (27.7 percent)
- Of those 15 states that saw year-over-year drops in exports, New Hampshire fell the most—by 18.9 percent—followed by Hawaii at 17.9 percent and Alaska at 13.7 percent.
- Exports per capita ranged considerably by state in 2012, from a low of \$522 in Hawaii and \$1,429 in New Mexico to a high of \$13,724 in Louisiana and \$10,950 in Washington.
- Canada remains the largest export market for the U.S.—18.9 percent of goods exported go there—followed by Mexico (14 percent), China (7.3 percent), Japan (4.1 percent) and the United Kingdom (3.2 percent).⁶



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¹The Council of State Governments defines an "overseas office" as an office whose purpose is to promote and facilitate international trade and/or investment between and among foreign parties and private or public interests within the state represented. The office must have a physical presence located in a foreign country that is funded at least partially by the state government represented. The office may serve the interests of the state government represented part or full-time and several states may share the same office location.

²Blase, Julie. 2003. "Has Globalization Changed U.S. Federalism? The Increasing Role of U.S. State in Foreign Affairs: Texas-Mexico Relations," PhD dissertation, University of Texas at Austin. <http://www.lib.utexas.edu/etd/d/2003/blasejm039/blasejm039.pdf>

³Among those 39 states maintaining overseas offices.

⁴Cassey, Andrew. 2009. "The Location of U.S. States' Overseas Office," Working Paper, Washington State University. http://faculty.ses.wsu.edu/WorkingPapers/Cassey/OverseasOffices_WP2009-10.pdf

⁵U.S. Department of Commerce, 2013. "New Data Shows 29 States Hit Record Export Levels In 2012," <http://www.commerce.gov/news/press-releases/2013/02/26/new-data-shows-29-states-hit-record-export-levels-2012>

⁶U.S. Census Bureau, Foreign Trade Data, Year-to-Date as of March, 2013. <http://www.census.gov/foreign-trade/statistics/highlights/top/top1303yr.html>

State Overseas Office Locations, 2013

