a special series report of the southern legislative conference

Forging New Trade Relationships

Latin America and the Southern Legislative Conference States

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Forging New Trade Relationships: Latin America and the Southern Legislative Conference States

A Special Series Report
of the
Southern Legislative Conference

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Table of Contents

Forging New Trade Relationships: Latin America and the Southern Legislative Conference States

ìThe cause of freedom rests on more than our ability to defend ourselves and our allies. Freedom is exported every day as we ship goods and products that improve the lives of millions of people. Free trade brings greater political and personal freedom.î

President George W. Bush, Address to a Joint Session of Congress

ìAlthough globalization has its critics, I say with some conviction that the increasing interaction among national economies has engendered benefits that have significantly exceeded their costs over the years.î

Alan Greenspan, Chairman, The Federal Reserve Board

ìWhat is now clear from the historical evidence of the last century is that in every case where a poor nation has significantly overcome its poverty, this has been achieved while engaging in production for export markets and opening itself to the influx of foreign goods, investment and technology; that is by participating in globalization.î

Ernesto Zedillo, former President of Mexico

Introduction

Recently in the United States, international trade has emerged as a critical component in the economic development strategies of all levels of governments: federal, state and local. From the secretary of the U.S. Department of Commerce traveling the globe touting American exports such as passenger air-craft to Singapore (Boeing), to the secretary of Marylandís Department of Business and Economic Development promoting Marylandís technological expertise on a trade mission to Israel, to the Metro Atlanta Chamber of Commerce striking a deal to ship 57,000 tons of Chilean seafood exports through Atlantaís Hartsfield International Airport, officials at every level of government have realized the enormous potential of international trade to stimulate sales and job growth within their jurisdictions. Hence, an increasing number of U.S. corporations, both large and small, have embraced exports and export-led growth as the route to greater profit margins and diversification into new markets.

While the economic performance of the U.S. economy in the last decade or so has been superior to any other era in the nationís history (even though this record performance has experienced some setbacks in the last few months), the significant contribution of international trade in this stellar expansion has been only marginally acknowledged. Specifically, the proportion of international trade in the nationís gross domestic product (GDP) has grown most impressively: this ratio leapt from 14 percent in 1980 to about 29 percent in 1998[1] to a record 33.7 percent in 2000.[2] (These numbers reflect the value of trade in goods and services, including earnings and payments on investments.) In addition, the contribution of exports to the formidable U.S. growth since 1989, 20 percent, has been twice as large as its 10 percent contribution to the level of U.S. national income.[3] Even internationally, trade across borders has increased far faster than world GDP; specifically, imports of goods and services as a percentage of GDP worldwide, on average, have risen from approximately 12 percent 40 years ago to 24 percent today.[4]

As a result of this persistent and dynamic expansion of international trade, the United States, based on a wide range of criteria, is easily the largest trading nation in the world. Not only is it the largest goods trading country in the world (both exports and imports), it also is the largest services trading country in the world. More significantly, tradeóthe export and import of goods and services, and the receipt and payment of earnings on foreign investmentóincreased 25-fold between 1970 and 2000 and nearly 120 percent between 1990 and 2000.[5] This formidable trade proliferation has extended to every continent, almost every country and practically every corner of the world.

Furthermore, in the last few decades, U.S. policymakers have initiated a series of measures to foster this international trade expansion by steadily lowering barriers to trade. Since the Smoot-Hawley Act of 1930 set protectionist tariffs for over 20,000 individual items, the general thrust in Congress in the subsequent seven decades has been to eliminate these tariffs. In fact, on average, tariffs imposed by the United States on a wide swath of goods and services have declined from over 40 percent to just 6 percent in the last 30 years or so. In certain instances, these tariffs have been completely eliminated.[6] The lowering of trade barriers has spilt over into other countries too, and in some industrialized countries tariffs on industrial products have fallen even more steeply. They averaged less than 4 percent in January 1999.[7]

The emergence of trade, particularly, free and freer trade, as a strategy to promote economic growth has resulted in a growing trend towards globalism or globalization, i.e., the rapid expansion of links at multiple levels to all parts of the world.[8] As observed by Thomas Friedman, the foreign affairs columnist for *The New York Times*,

> ì. . .the globalization system, . . . is not static, but a dynamic ongoing process: globalization involves the inexorable integration of markets, nation-states and technologies to a degree never witnessed beforeóthat is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before, and in a way that is also producing a powerful backlash from those brutalized or left behind . . .î[9]

While free trade and globalism remain tightly-knit concepts, more and more regions of the world are swept up in this effort to bring about economic advancement by opening, deregulating and privatizing a broad spectrum of economic activities. Not only have the former socialist bloc countries almost universally adopted the tenets of free market capitalism in their quest to foster economic growth, albeit at varying degrees of acceptance and application, even such insular countries as Iran, Albania and Sudan, have been forced to acknowledge and deal with the influence of globalism in contemporary society. In the last decade or so, particularly since the collapse of the former Soviet Union in 1991, a steady stream of countries has moved toward free markets and monetary and fiscal discipline. Even such iconoclastic regimes as that of Fidel Castro in Cuba value the importance of foreign currency inflows, whether in the form of tourist dollars or investment dollars. While most of these transitional economies have enjoyed varying degrees of success in their monumental reform efforts, these countries recognized ìthat the only way their economies would grow was to privatize, deregulate, cut the size of government and tighten monetary policy.î[10]

How do all these issues mesh with the economic development strategies of the 16 states in The Council of State Governmentsí Southern Legislative Conference (SLC)?[11] Have these states systematically pursued international trade as a catalyst for economic growth in recent years? What is the status of the trade relationship between the SLC states and Latin America? (For purposes of this report, Latin America is broken into the following regions: Mexico, South America, Central America and the Caribbean). Have these links burgeoned in recent years? The response to these and myriad related questions is a resounding yes. The SLC states have focused intensely on expanding their economic potential via international trade and, in this connection, exports to Latin America have materialized as a critical force. In fact, in 2000, according to the U.S. Department of Commerce, almost 36 percent of total exports (from the SLC states, over one-third) were transported to Latin America, a more than overwhelming confirmation of the regionís importance as an export market. Further solidifying these expanding SLC-state export links to Latin America is the growing Hispanic population throughout the region, a trend replicated in most parts of the United States, and certified by the 2000 Census data. (The report uses the term Hispanic and Latino interchangeably).

A broad range of players within the SLC states have realized the potential of Latin Americaís markets and have instituted a range of policies and programs to foster international trade between the two regions. These measures include:

- the newly-chartered United Americas Bank in the Buckhead area of Atlanta, Georgia, offering import-export financing to companies doing business in Latin America;
- the inaugural trade mission to Brazil, Chile and Argentina led by Virginia Governor Jim Gilmore in May 1999 that included top state trade officials and 30 leading private business executives to open markets for Virginiaís exports and services;
- the visit of Uruguayan President Jorge Battle to North Carolina in September 2000 to promote enhanced trade between his country and North Carolina. He met with then-Governor Jim Hunt and a number of senior trade and business officials with this objective in mind;
- the efforts made by the American Cast Iron Pipe Co., based in Birmingham, Alabama (a company that made Fortuneís list of ëBest 100 Companies to Work for in Americaí three years in a row) to market products for water and sewer systems, capital goods and energy industries all over Latin America;
- the juggernauts in corporate America that are headquartered in Atlanta, Georgia, such as The Coca-Cola Company, Cable News Network (CNN), Delta Airlines, The Home Depot, United Parcel Service (UPS), BellSouth, Equifax, all of which maintain substantial Latin American enterprises and seek to expand them;
- the July 2000 visit of Florida Governor Jeb Bush on a Team Florida mission to strengthen the stateís market share in Brazil, Latin Americaís largest economy, Floridaís premier trading partner and the country with over 50 percent of Latin Americaís top 500 companies;
- the establishment of a trade office in Guadalajara, Mexico, in May 1997, by Kentuckyís Cabinet for Economic Development to promote exports from Kentucky to the region and support the trade missions led by Governor Paul Patton to Mexico (July 2001) and Argentina, Brazil and Chile (October 2001); and
- the passage of Amendment I by the Alabama Legislature with funds to further develop the Port of Mobile so as to foster international trade in and out of the Port and the state.

These examples constitute a few of the countless international linkages that exist, and continue to multiply, between the SLC states and Latin America.

The objective of this **Special Series Report** is to comprehensively document the status of international trade between the SLC states and Latin America and the manner in which these trading relationships have broadened in recent years. In order to meet this objective, the report revolves around the state-specific sections which clarify the extent of these export relationships (by volume and type), the relative importance of manufactures, agricultural and other exports in the 1993-2000 period and brief information about SLC-state based corporations active in Latin America. Prior to this section, the report reviews the basic tenets of globalism, the manner in which international trade is linked to globalism and the growing importance of global trading; presents several broad trends discernible from recent U.S. trading patterns; demonstrates how Latin Americaís ëbig-threeí (Brazil, Mexico and Argentina) economies are inextricably linked with the economies of a number of SLC states; documents the emerging trade relationship between the SLC states cumulatively and Latin America, including details for the four main areas of Latin America (South America, Central America, the Caribbean and Mexico); and demonstrates the preliminary results from the 2000 census and how a number of SLC states have seen a sizable increase in the population levels of their Hispanic residents.

Globalization: What Is It All About?

Seattle, Washington, November 30, 1999: Following a series of violent clashes between police and anti-World Trade Organization (WTO) protesters and massive rioting throughout the streets, Seattle Mayor Paul Schell declared a civil emergency. Washington Governor Gary Locke called up two national guard units to assist Seattle police. Thousands of anti-trade and anti-globalization protesters, of whom 587 were jailed, were protesting the meeting of the WTO in Seattle.

Melbourne, Australia, September 11, 2000: Police and anti-globalization protesters battled as delegates continued to arrive for a World Economic Forum (WEF) meeting and ìactivistsî attempted to blockade delegates from entering the convention hall. For a while, 2,000 protesters prevented about a quarter of the 800 delegates from entering the forum; clashes with police occurred when protesters hurled rocks and ball bearings.

Prague, Czech Republic, September 27, 2000: As many as 9,000 protesters clashed with police in the Czech capital of Prague during the World Bank (WB) and International Monetary Fund (IMF) meetings with protesters flinging street barricades through the windows of McDonalds and Kentucky Fried Chicken outlets, throwing Molotov cocktails, stones and bottles at police, shutting down subway lines, ripping out cobblestones around the famous Wenceslas Square and overturning and burning cars and other property. Police deployed water canons and armored personnel carriers to thwart the protesters and detained some 422 people.

Canc˙n, Mexico, February 27, 2001: Police beat back protesters as they tried to march on a meeting of the World Economic Forum. The police reported at least 30 arrests, and the Red Cross said it listed at least eight injuries from the scuffle, far from the Forum headquarters. About 300 protesters were in Canc˙n resisting the World Economic Forum meeting.

QuÈbec City, Canada, April 13, 2001: About 400 people were arrested and scores more wereinjured in two days of confrontations with police, when 33 heads of state from around the Western Hemisphere met to discuss a possible Free Trade of the Americas Agreement.

Globalization, or globalism, the increasing economic linkage between the nations of the world, remains a topic that has garnered a great deal of attention in recent years. As most economists understand it, globalism refers to the increasing interaction of national economic systems. As bonds between the U.S. economy and most parts of the globe sprout at an unprecedented pace, and U.S. international trade expands consistently, the pros and cons associated with this global expansion arouse substantial interest among policymakers and casual observers alike.

The fact that globalism is proliferating at an astounding pace is amply reflected in a vast number of indicators of global integration. A pioneering study presented by A.T. Kearney in *Foreign Policy* dissects the complex forces driving the integration of ideas, people, and economies worldwide and devises an index that portrays the relative globalization of different countries.[12] While it is not disputed that globalizationó whether economic, political, cultural or environmentalóis defined by increasing levels of interdependence over vast distances, it is similarly not disputed that these indicators of global integration have been growing steadily in recent years. According to Kearney,

- the number of international travelers and tourists currently averages about 3 million people daily, up from about 1 million visitors per day in 1980;
- the latest data from the United Nations Conference on Trade and Development (UNCTAD) indicates that foreign direct investment leapt 27 percent in 1999 to reach an all-time high of $865 billion;
- the same UNCTAD report notes that total cross-border flows of short- and long-term investments more than doubled between 1995 and 1999;
- the falling cost of international telephone calls and the rising level of cross-border activity allowed the traffic on international switchboards to top 100 billion minutes for the first time in 2000;
- an on-line population estimated at more than 250 million (and growing) has enabled more people in more distant places to directly communicate with each other compared to any other era in history; and

- the advanced information technologies employed by the worldís financial markets facilitate the movement of some $1.5 trillion around the world every day. (In the United States alone, these cross-border flows of bonds and equities are 54 times higher now than they were in 1970; in Japan, these flows have multiplied 55 times and, in Germany, they have multiplied 60 times.)

Notwithstanding the increasing acceptance of international trade and export promotion as a catalyst for spurring economic growth in the states, certain segments of the economy have suffered serious dislocation as a result of this growing move toward globalization. Quite often, the harshest consequences of this growing trend toward globalism have been felt by low-skill and low-wage manufacturing jobs within the U.S. economy (the textile industry is a classic example), with a majority of these jobs fleeing to cheaper production sites overseas. Federal Reserve Board Chairman Alan Greenspan made this point when he noted the following in testimony before the U.S. Senate Committee on Finance:

> ìWhile major advances in standards of living are evident among virtually all nations that have opened their borders to increased competition, the adjustment trauma resulting from technological advances as well as globalization has also distressed those who once thrived in industries that were once at the cutting edge of technology but that have become increasingly noncompetitive. . . But, the adjustment process is wrenching to an existing workforce made redundant largely through no fault of their own.î[13]

These economic dislocations were partially responsible for political players and political organizations with very disparate views and political philosophies banding together. Some of these dissimilar players include former Republican and Reform Party presidential aspirant Patrick J. Buchanan, U.S. Senator Jesse Helms, Texas billionaire H. Ross Perot and current U.S. House of Representatives Minority Leader Richard H. Gephardt. Similarly, some of the incongruent political organizations include the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), the Reform Party and the American Party (ìa small, very conservative, Christian splinter party formed after a break from the American Independent Party in 1972"[14]) and an assortment of religious groups. These twin forces have coalesced to vociferously oppose the U.S. governmentís efforts to promote a range of free trade initiatives, (granting Permanent Normal Trading Relations (PNTR) status to China, for example), in the past few years.[15] The negative economic consequences also were cited as influencing the swirling protests that erupted, and continue to erupt, in all corners of the globe against globalization.

The genesis of this outward-oriented approach to economic development involves the aforementioned concept of globalism/globalization, a process that began in the late 1970s and gathered a great deal of momentum by the early 1990s. While pursuing globalism results in an ever-expanding network of links among the economies of the world, the philosophy underpinning this expansion is that market-liberalization at the global level is as important as market liberalization at the national level. Hence, the argument goes, the broader the liberalization and the greater the number of liberalized markets that get integrated, the greater the potential for economic efficiency and ever improving standards of living. (As demonstrated in countless instances from across the globe, liberalized markets have proven to be much more effective in increasing the rate of growth of real per capita income.[16]) A review of global economic trends in the past few decades clearly indicates that market-liberalization tends to enhance the efficiency by which goods and services are produced, while simultaneously increasing the efficiency with which choices are made by individuals and firms.

The economic basis for an open trading system based on internationally accepted rules draws its origins in the formulations of the classical economist David Ricardo, who lived in England in the late 18th and early 19th centuries (1772-1823). According to Ricardoís theory, entitled ìcomparative advantage,î nations flourish when they take advantage of their assets and focus on what they can produce best, and then by trading these products for items that other countries produce best. Regardless of the innumerable variables involved, Ricardoís theory opines that all countries have assets, whether they be human, industrial, natural, financial, or strategic. When these assets are deployed to produce goods and services for either domestic or overseas consumption, or both, and when a portion of these goods and services are traded with another country, benefits flow to both.

While individual firms carry out this function quite naturally on the domestic market, the international market poses interesting questions.[17] For instance, even though most firms realize that a broader market base and access to a large number of international customers afford them the possibility of greater profit margins, they know that they should expand only until they reach their optimal size. Expansion beyond that point would prove self-defeating since they will run out of customers or be unable to adequately serve their current client base. Thus, once firms realize this optimal expansion point given their domestic and overseas market potential, they can establish an appropriate production target. Liberal trade policies, i.e., policies that permit the unimpeded flow of goods and services between countries, ìmultiply the rewards that result from producing the best products, with the best design, at the best price.î[18] Yet, as examples repeated across the economic horizon depict, success in trade remains a dynamic process with the market rewarding those firms that nimbly react to fluctuations in consumer preferences and other conditions and severely crippling those firms that do not. Hence, the ability to remain in the forefront in a particular industry can shift from firm to firm as the market changes and new technologies make less expensive and better products possible.

This logic may be extended to the global setting too. A country that might have once enjoyed a comparative advantage in producing a particular item because of low labor costs or access to a plentiful natural resource might soon realize that it no longer retains that advantage due to certain developments in its economy. For instance, advancements in its economy would effect a gradual rise in wages negating the countryís former comparative advantage of low labor costs. Consequently, it would be unprofitable for this country to persist in the production of this particular good, and it would be prudent to pursue another commodity in which it actually enjoys a comparative advantage. Under an open, multilateral trading system, this country is free to move on to become more competitive in some other good or service by switching production operations. While this transition may not be cost-free and could certainly involve disrupting the livelihood of the employees in this particular production line, resuming production of an item in which the country now enjoys a comparative advantage contains many medium-to long-term benefits.

A classic example from the American experience is the textile industry, where several decades ago, U.S.-based manufacturers, whether in the textile operations of the South or New England, enjoyed a clear advantage. The textile industry has been transformed radically in the last two decades, with many U.S. textile production operations relocating overseas as the United States embarks on such technology-intensive pursuits as building fiber optic networks or pioneering software applications. (A compelling and poignant story on the wrenching effects of globalization involves the closure of the Union Yarn Mill on May 13, 2001, after operating in Jacksonville, Alabama, for 95 years.[19]) Similarly, alongside the textile and apparel sector, a number of other U.S. industries, such as automobiles, steel, footwear, electronics, for instance, have been forced to adjust to the rigors of the global economy in the past few decades.

Further elaboration of this point remains useful here. The apparel manufacturing sector has been one of the Southís oldest industries, and the onset of globalism has witnessed a steady stream of plant closures and relocations to other parts of the world. Just as these textile plants left the New England states and relocated to the South a few decades ago, the same textile plants are now moving to Guatemala, Sri Lanka and Madagascar. Consequently, employment in the apparel manufacturing sector in the South has been waning for 20 years. Specifically, employment in the apparel manufacturing sector plummeted from nearly 58,000 jobs in 1990 to fewer than 28,000 jobs in 1999 in Georgia, while in Alabama it plunged from 52,000 jobs in 1990 to about 28,000 jobs in 1999.[20] These relocations, initially from the New England states to the South and then, from the South to overseas locations, are the direct result of wage competition in this highly labor-intensive operation. Manufacturers spotted the comparative advantage of locales with low labor costs with alacrity and swiftly moved their operations to these locales, whether Alabama or Honduras.

It also is not obvious to many Americans that in an open trading system with the free flow of capital to and from the United States, a number of positive advantages ensue. For instance, in the light of a huge number of Americans investing in the equity markets, either through direct stock purchases or 401-K type retirement accounts, it is now possible for Americans to secure a truly diversified investment portfolio that includes domestic and international stocks and bonds. Hence, the free flow of capital permits corporations to invest and expand their overseas operations and allows U.S. financial companies and mutual funds to purchase equity in foreign corporations. Both these mechanisms enable these U.S.-based entities to generate positive returns to their American investors. Similarly, the growing recognition in recent years that the United States is the ìsafestî investment climate in the world has led to billions of dollars flowing in from overseas to the safety of an assortment of U.S. financial instruments, particularly U.S. government securities. This huge influx of foreign capital facilitates greater liquidity, pressuring interest rates in the United States to historic lows and enabling Americans to enjoy lower rates on mortgages, credit cards and other types of loans. Both these benefits are directly related to the liberalized trade regime flourishing in the United States and other parts of the world.

Foreign Direct Investors' Spending to Acquire or Establish U.S. Businesses Soars in 2000

- According to the U.S. Bureau of Economic Analysis, foreign direct investorsí spending to acquire or establish U.S. businesses increased 17 percent to $320.9 billion in 2000. Spending increased 28 percent to $275 billion in 1999 after more than tripling in 1998 to $215 billion.
- Investors from Europe accounted for more than 75 percent of total investment spending during 1998-2000, with British investors (over a third of total investment spending) and Dutch investors spending the largest amounts.

Source: *www.bea.doc.gov/bea/newsrel*

Increasing globalization has opened the American economy to surging trade and capital flows from every corner of the world. However, while the overall benefits of continued trade liberalization remain indisputable to a large segment of policymakers and the population at-large, the sweeping openness poses problems for certain sectors of the populace. With the onset of foreign competition, workers and company owners lose their livelihood with the shifting of resources, capital and labor to their most productive usage. In particular, unskilled and semi-skilled workers are particularly at risk since a large number of their former employers have left the shores of the United States to less expensive operating venues. While redress for these displaced workers takes the form of additional training in emerging fields, the long-term response lies in investing in the nationís schools and universities to enhance the pool of talent and research.

The alternative to the system of free-flowing goods and services across border is protectionism, whereby governments, either by banning imports outright or introducing tariffs to make imports prohibitively expensive for a majority of the population, protect domestic producers from imports. A protectionist environment quite often involves subsidies from the government, direct or indirect, since the manufacturing entity is unable to secure adequate profit margins to continue in operation. Since there is no incentive for the manufacturer to produce high-quality items, the protectionism and government subsidies, in turn, lead to ìbloated, inefficient companies supplying consumers outdated, unattractive products.î[21] As evident in a number of scenarios in the former socialist-bloc countries, production that takes place in a highly-protectionist environment results in low-quality and inferior products and quite often, these production sites do not have the capacity to survive for too long, even with government subsidies. Hence, if more and more governments were to embark on this closed strategy, markets would likely contract and seriously crimp world economic output and activity. In fact, protectionism dulls the incentives of workers and firms to innovate and constantly stay ahead of the technological curve since there is no need to do so.[22] In sum, while sheltering the economy from imports may grant some short-term relief to workers and firms, in the long-run, the consequences are potentially disastrous. In addition to this negative consequence, a protectionist environment brings about the following deleterious outcomes.

First, erecting barriers to stave off imports has the potential to negatively affect a countryís exports. Specifically, while the introduction of import barriers might have the temporary result of improving a countryís trade balance, this improvement would result in an appreciation of a countryís currency on world exchange markets. An appreciation in a countryís exchange rate will cause a countryís exports to lose its competitive edge as they become more expensive relative to similar products supplied by other countries. Consequently, as more and more purchaserís move away from a countryís exports, not only would a countryís export volumes decline, employment levels in these export industries eventually would diminish as well. Hence, the countryís overall economic situation would suffer. In addition, if the countryís export-oriented industries relied on imports as inputs for final production, the added import barriers would contribute to increased production costs. This development would be another factor behind the eroding competitive base of the countryís export industries.

Second, as noted by Burgess *et al* in *Globaphobia*, protectionist barriers have the long-term effect of preventing policymakers from initiating measures to address the fundamental causes of the stagnation or deterioration in the wage levels of less-skilled workers. For instance, those arguing for import barriers to prevent Americaís textile workers from being displaced by international competition obscure the fact that these workers do not have the skills and education to meet the demands of better-paid, higher-wage jobs in the contemporary U.S. economy. By sheltering these workers with prohibitive trade barriers, there is no effort being directed to provide these workers, or even the next generation of workers, with the technical skills, training, inducements and education required for the higher paying jobs. While it is certainly valid that in the short-term these displaced workers face unenviable choices, it is equally important that in the longer-term, a labor pool with the requisite skills to maintain and foster a high-pressure economy is created.

Third, obstacles to free trade introduced by a country has the potential to self-implode, particularly if its trading partners enact their own trade barriers to ward off increased trade levels. For instance, the United States is the undisputed world leader in a host of key commodities and industries including agriculture, financial services, pharmaceuticals, aircraft, computers (both software applications and hardware) and telecommunications. However, if the Untied States embarks on a protectionist strategy with regard to trade in certain goods and services, this could lead to retaliatory trade sanctions and import barriers in other countries targeting American exports. Eventually, this could lead to a declining export base with all the negative consequences of this development.

Fourth, preventing imports from entering into a country, in effect, constitutes a tax on the consumerís of that country. If country A can provide a certain good at a much lower cost than country B can locally manufacture that good, trade barriers to the import of that good would cause its price to rise. Hence, consumers are in fact paying a tax when they purchase this good. While these import barriers may be couched in elegant terms (ìfair trade,î ìnational security,î or a similar phrase), the bottom-line impact is that consumers would be paying a higher price for this item. Therefore, by eliminating the import barriers in place for this good, policymakers would be providing consumers a ëtax cutí with the lower priced commodity. In addition, manufacturers in the country would be forced to compete with the imported product, a trend that would lead them to innovate. These twin effects would contribute to higher living standards in the country as consumers secure lower prices and manufacturers improve their production techniques and the quality of their products.

Finally, promoting a liberalized trade policy in a country does not automatically lead to the panacea of a greater number of jobs. High levels of employment occur as a result of synchronizing a number of macroeconomic conditions of which a liberal trade regime is just one important requirement. Thus, policymakers must ensure that these additional requirements, sound fiscal and monetary policy, solid educational institutions, adequate infrastructure, to name a few examples, accompany the push toward free trade. Nevertheless, it is important to note that lower trade barriers in other parts of the world facilitate better jobs for U.S. workers, for instance, because firms in industries that are major exporters pay considerably more than the average national wage. In addition, available research suggests that the benefits packages offered by exporting firms are substantially more attractive than non-exporting firms; specifically, 37 percent higher on average, or 11 percent if controlling for plant size, industry, and location. Even less skilled workers in exporting establishments are paid, on average, 5 percent better than their peers in comparable jobs at non-exporting establishments.[23] The Bush Administrationís U.S. Trade Representative, Robert B. Zoellick, provides some illuminating 2000 statistics to further reinforce the point that export-oriented jobs pay better and that expanded trade improves the well-being of Americans.

> ìExports accounted for over one-quarter of U.S. economic growth over the last decade and support an estimated 12 million American jobs. In the agricultural sector, one in three acres is planted for export purposes, and last year American farmers sold more than $50 billion worth of agricultural products in foreign markets. Exports-related jobs pay 13 to 18 percent more than other jobs.î[24]

Calculating the Job Figures

The rough rule of thumb is every $1 billion in exports is supported by 20,000 jobs. According to the National Association of Manufacturers, the domestic industry average for direct labor as a percent of sales is 18 percent. Eighteen percent of $1 billion in export sales creates total wages of $180 million. If one uses the average manufacturing wage of $11.50 per hour, or $23,290 per year, total export wages supports 7,525 jobs. Using a conservative multiplier of two (two indirect jobs supporting every direct job), leads to a total of 22,575 jobs created from $1 billion in new export sales. In other words, U.S. manufacturing industries require an average of one employee for every $130,000 in sales. To generate $1 billion in export sales, manufacturers require about 7,700 employees.

Source: U.S. Census Bureau, Exporter Location Series

A study released by the U.S. Department of Commerceís Office of Trade and Economic Analysis in February 2001, entitled *ìU.S. Jobs from Exports,î* contains valuable information to buttress the argument that exports play a critical role in sustaining high employment levels.[25] Some of the data contained in this study included the fact that nearly three-fourths of all jobs supported by manufactured exports are generated indirectly, occurring upstream or downstream from the final production point as export activity triggers ripple effects in supporting sectors throughout the economy; one out of every five manufacturing jobs were directly or indirectly related to exports with more than one-third of jobs in two sectorsócomputers and electronic products and primary metalsósupported by exports; and in each of nine major U.S. manufacturing sectors more than 100,000 jobs were dependent on the production of manufactured exports or inputs incorporated into those shipments.

Table 1 demonstrates the number of jobs supported by the export of manufactured goods in the SLC states.

Jobs Supported by the Export of Manufactured Goods in the SLC States (Thousands of Jobs 1997 Data)

SLC State	Jobs Tied to Manufactured Goods			% of Total Private Sector Jobs	Rankings	
	Manufacturing Jobs	Non-Manufacturing Jobs	Total Jobs		National	SLC
Alabama	52.3	62.7	115.0	7.3	24	10
Arkansas	26.8	35.0	61.8	6.3	34	14
Florida	61.1	99.7	160.8	2.8	15	5
Georgia	72.7	112.8	185.5	5.9	13	3
Kentucky	58.3	87.1	145.4	9.9	19	7
Louisiana	22.8	59.0	81.8	5.3	29	11
Maryland	24.7	34.2	58.9	3.1	36	15
Mississippi	24.6	39.2	63.8	6.9	33	13
Missouri	75.7	91.4	167.1	7.1	14	4
North Carolina	132.9	152.7	285.6	8.9	7	2
Oklahoma	30.1	33.8	63.9	5.4	32	12
South Carolina	68.8	67.2	136.0	9.3	21	9
Tennessee	79.0	77.2	156.2	6.8	16	6
Texas	196.2	415.4	611.6	8.1	2	1
Virginia	58.7	83.3	142.0	5.2	20	8
West Virginia	8.9	11.8	20.7	3.5	43	16
SLC Total	993.6	1,462.5	2,456.1	6.4		
U.S. Total	3,344.2	4,332.0	7,676.2	7.2		

table 1

Source: U.S. Department of Commerce, Office of Trade & Economic Analysis

As indicated in Table 1, two SLC states (Texas and North Carolina) secured prominent national rankings in the number of jobs supported by the export of manufactured goods. Specifically, these states occupied the second and seventh spots in the national rankings. Several other SLC states fared impressively too, further reinforcing the fact that the export sector plays a valuable role in the creation of employment opportunities.

Some Insights into U.S. Trading Patterns

According to Alan Greenspan, Chairman of the Federal Reserve Board, a historical analysis of trading patterns in a number of industrial countries in the last 200 years or so indicates that total trade as a share of GDP is not much above levels that were commonplace in the latter years of the 19th century.[26] Yet, in the last 50 years, exports and imports relative to total output have grown considerably. As noted by Chairman Greenspan, ìthis growth mostly reverses declines in the ratio of total trade to GDP in the first half of the 20th century.î[27] Yet, despite the assumption of trade to the position it occupied in a number of industrial economies, especially in the United States, over a 100 years ago, several fundamental differences have emerged including the composition of these industrial economy GDPs; the enhanced role played by the services sector; the diminished role played by agriculture, manufacturing and mining; the increases in government spending relative to total output; and the greater reliance on foreign markets.

An overview of world trade between 1990 and 1999 remains instructive in understanding this growing influence of trade. Table 2 compares world merchandise exports and world merchandise production and reflects how rapidly exports have been growing in the past decade.

World Merchandise Exports and Production by Major Product Group 1990-99, Annual Percentage Change

Product Group	1990-99 (Average)	1997	1999
World merchandise exports	6.5	10.5	5.0
ï Agricultural products	4.0	5.5	2.5
ï Mining products	4.5	9.0	-4.5
ï Manufactures	7.0	11.5	6.0
World merchandise production	2.0	4.5	2.5
ï Agricultural products	2.0	2.5	1.5
ï Mining products	1.5	3.5	-2.0
ï Manufactures	2.0	5.5	3.5
World gross domestic product (GDP)	2.0	3.5	2.5

table 2

Source: World Trade Organization

As Table 2 presents, world merchandise exports displayed impressive growth rates *vis-a-vis* world merchandise production, and even GDP. In fact, world merchandise exports often increased three times as fast as world merchandise production and world GDP, an obvious reflection of the worldís growing reliance on export-led growth to promote economic advancement. Specifically, during the period 1990-99, while world GDP increased on average by about 2 percent, world merchandise exports increased by 6.5 percent, over three times that pace. Even in 1999, world merchandise exports flourished at twice the speed of world GDP, an indication of the growth potential of this sphere of the economy.

Even in terms of the U.S. economy, a number of statistical trends clearly demonstrates how international trade has surfaced as a major contributory factor in the nationís gross domestic product (GDP). Table 3 presents U.S. GDP and international trade in goods and services for selected years between 1970 and 2000.

Percent of International Trade in GDP 1970-2000
(Billions of Chained 1996 Dollars)

Year	GDP	Exports		Imports		Combined Exports & Imports
		Value	% of GDP	Value	% of GDP	
1970	3,578.0	159.3	4.5%	223.1	6.2%	10.7%
1980	4,900.9	334.8	6.8%	324.8	6.6%	13.5%
1990	6,707.9	575.7	8.6%	632.2	9.4%	18.0%
1995	7,543.8	808.2	10.7%	886.6	11.8%	22.5%
1998	8,515.7	1,003.6	11.8%	1,224.6	14.4%	26.2%
1999	8,875.8	1,033.0	11.6%	1,355.3	15.3%	26.9%
2000	9,318.6	1,126.5	12.1%	1,539.2	16.5%	28.6%

table 3

Source: U.S. Department of Commerce, International Trade Administration

Table 3 demonstrates that the combined role played by exports and imports in the nationís GDP has changed radically in recent decades. Specifically, in three decades, the role played by international trade in the nationís GDP has increased almost threefold, from just under 11 percent in 1970 to almost 29 percent in 2000. For instance, in 1970, exports amounted to 4.5 percent of GDP while imports amounted to 6.2 percent. While this percent breakdown increased to 6.8 percent and 6.6 percent, respectively, in 1980, it leapt to 8.6 percent and 9.4 percent, respectively, by 1990. Finally, in 2000, the breakdown stood at 12.1 percent and 16.5 percent and is a pointed example of how international trade has assumed an enhanced role in the U.S. economy.

In a similar vein, according to the Office of the U.S. Trade Representative, American trade expanded more rapidly in the 1970-2000 period than the growth of the overall U.S. economy in both nominal and real terms.[28] In nominal terms, trade grew at an annual average of 11.4 percent per year since 1970; in contrast, U.S. GDP grew at an annual average of 7.8 percent per year. Even in real terms, the performance of trade remains compelling; 7.0 percent versus 3.2 percent, on average, per year, more than double the pace of GDP growth.

While the information in Table 3 establishes the growing role played by international trade in the nationís economic affairs, another interesting realm of analysis involves the distribution of U.S. commodity exports by the worldís geographic areas in the recent past. Table 4 presents this information for the period 1993-2000.

U.S. Commodity Exports by Geographic Area 1993-2000 (Millions of Dollars)						
Region	1993		1997		2000	
	Value	% of World	Value	% of World	Value	% of World
World	465,091	N/A	689,182	N/A	782,429	N/A
Europe	119,785	**25.8%**	163,273	**23.7%**	187,415	**24.0%**
ï Western Europe	113,681	24.4%	155,384	22.5%	181,271	23.2%
ï Eastern Europe	6,104	1.3%	7,889	1.1%	6,144	0.8%
Latin America	78,426	**16.9%**	134,416	**19.5%**	170,981	**21.9%**
ï Mexico	41,581	8.9%	71,388	10.4%	111,721	14.3%
ï Caribbean	6,784	1.5%	9,962	1.4%	11,329	1.4%
ï Central America	5,964	1.3%	8,999	1.3%	10,678	1.4%
ï South America	23,422	5.0%	43,127	6.3%	36,689	4.7%
ï Other	675	0.1%	940	0.1%	564	0.1%
Canada	100,444	21.6%	151,767	22.0%	178,786	22.9%
Asia	146,725	31.5%	213,547	31.0%	219,515	28.1%
Australia and Oceania	9,938	2.1%	14,450	2.1%	14,812	1.9%
Africa	9,428	2.0%	11,390	1.7%	10,961	1.4%

table 4

Source: U.S. Department of Commerce, International Trade Administration

As indicated in Table 4, U.S. exports to Latin America (which includes Mexico, the Caribbean, Central America and South America) have expanded from about 17 percent of total exports in 1993 to 19 percent in 1997 to almost 22 percent in 2000, a fine indication of the importance of the region to overall U.S. trade policy. In contrast, exports to Europe declined marginally between 1993 and 2000 (from almost 26 percent to 24 percent), while exports to Asia shrank from almost 32 percent in 1993 to a little over 28 percent in 2000. U.S. exports to Canada hovered around 22 percent to 23 percent and exports to Australia and Oceania and Africa remained relatively unchanged during this same period. In sum, exports to Latin America far outpaced the other regions of the world in terms of their rate of increase between 1993 and 2000.

The U.S. Trade Representativeís Office, which provides information on 2000 figures for U.S. trade, noted that U.S. trade (exports and imports of goods and services, and the receipt and payment of earnings on foreign investment) enjoyed substantial gains in the periods depicted (1999 to 2000 and 1990 to 2000).[29] Not only has it expanded 25-fold since 1970 and by nearly 120 percent since 1990, in 2000, U.S. trade increased by a vibrant 18 percent, reflecting both export and import growth. Exports of goods and services and earnings on investment more than doubled between 1990 and 2000; exports increased by 15 percent in 2000, their fastest growth rate since 1995. On the import front, goods and services imports and payments on investment earnings expanded by 138 percent between 1990 and 2000; and by 20 percent in 2000, their highest growth rate since 1984.

A review of U.S. goods trade, both exports and imports, is important, especially as it relates to the geographic distribution of U.S. goods exports and imports. This information is contained in Table 5.

U.S. Goods Exports and Imports to Selected Countries/Regions 2000 (Billions of Dollars)						
Country/Region	Exports			Imports		
	Value	Percent Change		Value	Percent Change	
		1999/00	1990/00		1999/00	1990/00
Canada	180.4	8.3	115.5	229.9	15.7	151.6
European Union	164.0	8.0	58.5	221.4	13.4	122.7
Japan	65.0	13.1	33.7	148.4	13.4	65.5
Mexico	113.9	31.1	302.5	137.6	25.4	356.3
China	16.0	22.0	233.3	100.6	23.1	560.2
Pacific Rim*	123.4	19.5	111.3	123.4	19.5	56.1
Latin America**	59.1	7.2	130.4	74.3	27.0	120.4

table 5

Source: Office of the U.S. Trade Representative
* = Except China and Japan ** = Except Mexico

As indicated in Table 5, U.S. goods exports increased to all major regions of the world. In 2000, goods exports to Mexico increased by 31 percent (reaching nearly $114 billion) and the rest of Latin America increased by 7 percent. Of note, goods exports to Mexico expanded by more than 300 percent between 1990 and 2000, while goods exports to the rest of Latin America increased by 130 percent during the same period. Cumulatively, U.S. goods exports increased by 14 percent in 2000 with industrial supplies (up 18 percent over the prior year), capital goods except automobiles (up 15 percent) and consumer goods (up 11 percent) leading the way. U.S. goods imports climbed by 19 percent in 2000 from the previous year. Specifically, of the front runners, the import of capital goods rose 19 percent; industrial supplies and materials were up 35 percent; petroleum products were up 74 percent; and consumer goods rose by 16 percent. Over the last decade, goods imports have risen by 147 percent as the U.S. economy moved into an era of sharp and sustained expansion during the 1990s.

Analysis of the regional distribution of trade in 2000 demonstrates the vitality of Latin America as an important trading region. Not only did exports to Mexico and the rest of Latin America grow by more than 31 percent and 7 percent, respectively, in 2000 compared to the prior year, export expansion in the past decade (1990-2000) amounted to an astounding 302 percent and 130 percent, respectively. On the import front, the growth rates were impressive too: 25 percent in Mexico and 27 percent for the rest of Latin America between 1999 and 2000 and 356 percent in Mexico and 120 percent for the rest of Latin America in the period 1990 to 2000. These statistical trends reinforce the fact that the Latin American region ranks at the highest level among our myriad trading partners, and that this partnership, if history is any indication, will only continue to bloom in future years.

In conjunction with the trend of increasing U.S. trade with countries in Latin America, a review of some of the top 50 partners in total trade with the United States remains important. In particular, reviewing those countries in Latin America that fall into this category and examining how trade with the United States has shifted in the last 10 years or so remains instructive. Table 6 documents these trends for the period 1991 to 2000.

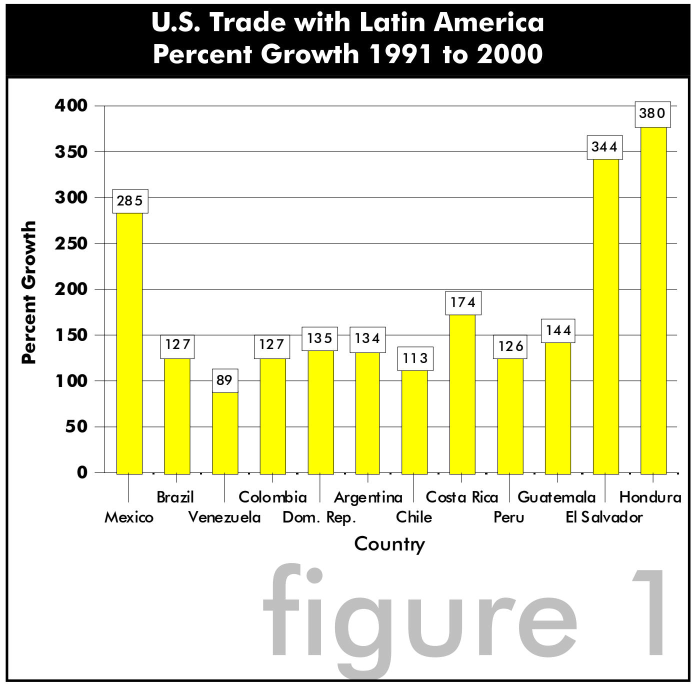
Total Trade with Latin American Countries in Top 50 U.S. Trade Partners 1991-2000 (Millions of Dollars)						
Country/U.S. Rank	1991	1993	1995	1997	1999	2000
Mexico (2)	64,407	81,499	108,393	157,326	196,630	247,631
Brazil (14)	12,865	13,537	20,272	25,540	24,516	29,215
Venezuela (17)	12,835	12,730	14,404	20,079	16,688	24,201
Colombia (30)	4,688	6,266	8,416	9,934	9,819	10,657
Dominican Republic (32)	3,750	5,021	6,414	8,251	8,387	8,827
Argentina (33)	3,332	4,981	5,950	8,038	7,548	7,802
Chile (37)	3,141	4,061	5,546	6,662	6,031	6,683
Costa Rica (39)	2,187	3,084	3,580	4,348	6,348	5,993
Honduras (41)	1,181	1,813	2,720	4,341	5,083	5,665
Guatemala (43)	1,844	2,507	3,173	3,720	4,077	4,500
El Salvador (48)	836	1,361	1,923	2,746	3,124	3,708
Peru (49)	1,616	1,826	2,810	3,726	3,625	3,658
Latin American Total	112,682	138,686	183,601	254,711	291,876	358,540
World Total	867,507	1,000,948	1,276,466	1,497,406	1,658,548	1,925,964
% of Latin to World	13.0	13.9	14.4	17.0	17.6	18.6

table 6

Source: U.S. Department of Commerce, International Trade Administration

Table 6 displays the appreciable growth in U.S. trade with the Latin American region during the period under review. Specifically, while trade with the 12 Latin American countries that ranked in the top 50 U.S. trading partners amounted to 13 percent of total trade in 1991, it registered over 14 percent in 1995 and almost 19 percent in 2000. Similarly, total trade with these 12 countries expanded by over 218 percent during the period 1991 to 2000, an annual average of almost 22 percent. Another important element that emerges from this review is the fact that even a number of relatively small Central American economies like Costa Rica, Honduras and El Salvador continue to play a noticeable role in U.S. trade. It is impressive that these smaller economies have recovered from serious disadvantages, including weak economic infrastructures and the ravages of war and natural disasters that wrecked their efforts at nation-building for decades, particularly during the 1970s through the 1990s, and have been able to stake a claim in the list of top 50 U.S. trading partners.

Another layer of analysis involves reviewing the growth in U.S. trade with the individual Latin American countries. Figure 1 presents this information graphically.



Source: U.S. Department of Commerce, International Trade Administration

As indicated, U.S. trade with these countries grew noticeably during the period under review; specifically, it grew by more than 218 percent between 1991 and 2000. In fact, the 12 Latin American countries in the top 50 U.S. trade partners, except for Venezuela, all registered triple-digit growth rates during this review period. As expected, trade with certain countries flourished more than others, and in this connection, the leaders were Honduras (380 percent), El Salvador (344 percent) and Mexico (285 percent). Even Venezuela, the country with the lowest growth rate, enjoyed an 89 percent expansion level between 1991 and 2000.

International Trade Programs Can Help States' Businesses and Economies Grow

- Exporting contributes billions of dollars to state economies. In the Midwest alone, it accounted for more than $184 billion in 2000, helping create and sustain employment for millions in the process.
- State international trade programs have several objectives:
  (1) Assist firms that are already exporting by providing information that aids them develop market niches or expand opportunities.
  (2) Guide firms that have never exported before. Many small-and medium-sized enterprises lack the resources, funding and expertise to export.
  (3) Offer companies research assistance regarding overseas markets and advice on trade shows.
  (4) Hold seminars and provide individual counseling to explain the basics of exporting.

Source: The Council of State Governmentsí Mid-Western office, *Firstline*, May 2001.

Export Links between the SLC States and Latin America's "Big-Three"

A discussion of the export links between the SLC states and Latin America inevitably involves specific reference to the regionís ìBig-Threeî economies: Mexico, Brazil, and Argentina. Not only do these three countries project the most economic clout in the entire region, their sheer size and political influence make them the dominant players too. According to the Inter-American Development Bank (IADB), economic trends in these three countries, and in the rest of Latin America, were much stronger in 2000 compared to the 1994-1999 period. In addition to growth averaging around 4 percent per year, inflation has been largely stable (running in the single digits in most countries), fiscal positions have strengthened and current account balances have improved.[30] For 2001, the International Monetary Fund (IMF) projects growth for Latin America to hover around 3.7 percent, with the negative effects from the slowdown in U.S. growth being partly offset by lower U.S. interest rates (short-term) and higher oil prices.[31] Yet, since these regional aggregates gloss over some of the significant country differences, it is important to review some of the specific economic characteristics of these three countries when evaluating their export links to the SLC states.

Mexico

After more than seven consecutive decades in power, Mexicoís Institutional Revolutionary Partyís (PRI) candidate was defeated at the polls in July 2000, and the National Action Partyís (PAN) Vicente Fox was elected president. (President Fox assumed office in December 2000.) While the 2000 presidential election was considered Mexicoís most competitive (even the PRI candidate had to contend with a primary), it also was considered the nationís fairest and cleanest ever by a number of independent observers. Peace negotiations with the Chiapas rebels remain a politically thorny issue that may embroil the new presidentís legislative agenda since there is no real consensus among the different political parties on securing an agreement. On the economic front, President Foxís PAN has presented a comprehensive fiscal reform package intended to boost fiscal revenues by 4 percent of GDP; however, its passage is certainly not assured in the Congress given the criticism from all sectors of the political spectrum, including from within the PAN itself. According to *The Economistís* Economic Intelligence Unit, a slowdown in Mexican growth can be expected in 2001 because of diminished demand for its exports, particularly from an anemic U.S. economy.[32] A quick review of some key economic forecast indicators remains appropriate here since they have a direct impact on Mexicoís capacity to absorb exports from the SLC states.

Mexico—Selected Economic Forecast Summary 2000 to 2002

	2000	2001	2002
ï Real GDP (% change)	6.9	3.0	4.5
ï Consumer prices (% change; avg.)	9.5	7.9	7.2
ï Exchange rate (Peso:$; avg.)	9.46	10.24	10.91
ï Trade balance ($ million)	-8,012	-13,786	-14,710
ï Current account balance (% of GDP)	-3.2	-3.8	-4.0

table 7

Source: Economic Intelligence Unit, *The Economist*

As indicated, growth rates are expected to level off from the high rates attained in 2000. The performance of the U.S. economy is critical to a resilient Mexican economy, and if the U.S. scenario remains languid, similar trends may be experienced across the border. Yet, given the anticipated deterioration in Mexicoís trade balance between 2000 and 2002, the SLC states could stand to gain from the expected increase in imports implicit in this weakening trade balance.

Any discussion of SLC state exports to Mexico should involve reference to the impact of the North American Free Trade Agreement (NAFTA), implemented in 1994, that diminished trade barriers between the United States, Canada and Mexico. Since the enactment of NAFTA, and as alluded to previously, U.S. trade with Mexico has shown impressive gains with exports rising from about $42 billion to about $112 billion and imports more than tripling from about $40 billion to about $136 billion. ìSo far, there has not been a large shift of U.S. jobs to Mexico. Experts agree that NAFTA fostered tremendous trade growth.î[33] According to Robert Pastor, currently political science professor at Emory University and formerly President Carterís chief advisor on Latin America,

> ìAbout 20 million U.S. jobs have been created since NAFTA, compared with less than 200,000 lost. The jobs that have expanded in this country (due to NAFTA) are usually higher-paying jobs and more skilled. I think NAFTA has been a spectacular success for what it was designed to do, which was reduce and even eliminate trade and investment barriers among the three countries.î[34]

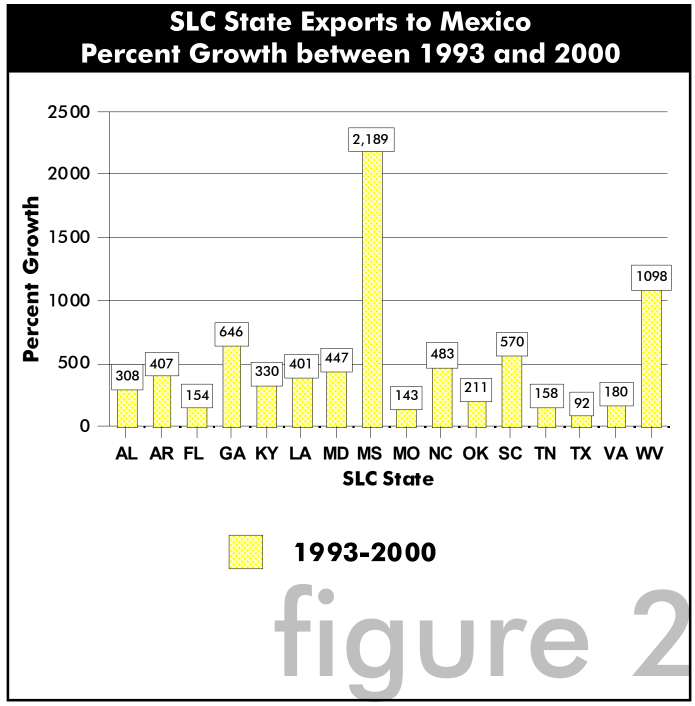
Table 8 provides data on the level of exports from the SLC states to Mexico between 1993 and 2000.

SLC State Exports to the 'Big-Three' — Mexico 1993-2000 (Thousands of Dollars)					
SLC State	**1993**	**1995**	**1997**	**1999**	**2000**
Alabama	185,340	193,149	813,728	456,442	756,249
Arkansas	68,796	59,801	140,819	207,925	349,047
Florida	769,554	536,239	1,220,785	1,426,833	1,953,868
Georgia	324,155	403,792	685,693	1,327,629	2,417,505
Kentucky	189,874	188,008	345,053	566,586	816,675
Louisiana	61,062	79,842	132,572	246,231	305,791
Maryland	96,175	94,467	199,248	330,194	526,124
Mississippi	25,250	87,928	127,355	293,029	578,080
Missouri	540,362	699,011	1,042,378	1,272,530	1,311,930
North Carolina	365,062	653,794	1,320,532	1,843,572	2,128,991
Oklahoma	157,837	120,348	239,648	282,981	490,881
South Carolina	293,236	641,403	935,937	1,296,847	1,964,121
Tennessee	649,850	839,357	1,188,122	974,989	1,676,495
Texas	12,860,799	12,589,013	18,864,124	23,329,620	24,622,551
Virginia	302,306	320,787	430,225	644,594	845,442
West Virginia	20,972	16,404	34,353	29,555	251,136
SLC Total-Mexico	16,910,630	17,523,343	27,720,572	34,529,557	40,994,886
U.S. Total-Mexico	41,635,494	46,311,455	71,378,310	87,044,038	111,720,878

table 8

Source: U.S. Department of Commerce, International Trade Administration

As demonstrated in Table 8, in terms of sheer volume, SLC state exports to Mexico have grown most impressively in the review period. Between 1993 and 2000, these exports grew by over 142.4 percent, which amounts to almost 18 percent per year, on average. In terms of total U.S. exports to Mexico during this same period, the cumulative growth rate was higher (168.3 percent) and over 21 percent per year. The slightly higher rate for this national number may be explained by the fact that most of the SLC states already had substantial trade relations with Mexico in comparison to the rest of the United States. Figure 2 provides insights into the growth rates of the specific SLC states.



Source: U.S. Department of Commerce, International Trade Administration

According to Figure 2, all the SLC states enjoyed positive growth rates during the review period. In fact, 13 of the 16 states attained striking triple-digit expansion levels during this time. Two states, Mississippi and West Virginia, exceeded even this laudable performance by securing quadruple-digit growth rates. The only state that experienced a double-digit growth rate, Texas, probably secured this relatively lower level because of its long-standing trade relationship with Mexico, in comparison to the other states. Another trend demonstrating the importance of Mexico as a trading partner to the SLC states is that for 11 of the 16 SLC states, Mexico is the second most important export destination; in three SLC states, Mexico is the third most important export destination; and in two SLC states, Mexico is the most important export locale. All these trends amply document the fact that with the passage of NAFTA in 1994, the SLC states quickly determined the potential of exports to Mexico and embarked on strategies to foster this growth.

Brazil

Despite the frequent trade disagreements between the United States and Brazil in the last few years, the two countries have been increasingly driven together by growing political instability in other parts of South America. Given Brazilís sheer size in a range of criteria (population, economy, military) among all its regional peers and the inevitable economic, strategic and political considerations sought by the United States, the two countries have a clear interest in cooperating and coordinating their activities on these fronts.

According to the Council on Foreign Relations,

> ìBrazil can and should be a crucial player with the United States in sustaining economic reform and democracy, in promoting free trade and open markets, and in combating narcotics, terrorism, and transregional crime. . . . Brazil is the fulcrum.î[35]

In assessing the importance of Brazil to the global system and as a key economic player to the United States, in general, and the SLC states, in particular, it is relevant to note that Brazil is the worldís third largest democracy with 170 million people. After decades of military rule, Brazil now functions as a thriving democracy, with a relatively open society, an alert and lively media and a participatory civil society. In fact, in 2000, 110 million Brazilians voted for 367,371 candidates in 5,559 municipalities, and these votes were tallied by electronic voting machines. While the level of political reform in Brazil still is incomplete and very much in progress, the swing toward instilling democratic elements remains noteworthy. Brazil also shares borders with nine of the 11 South American countries including Colombia, Argentina, Peru, Ecuador and Paraguay; consequently, Brazil remains a pivotal player in resolving a number of prickly issues (narcotics, terrorism, and transregional crime, anemic economic growth, political corruption) that embrangle these countries, issues that the United States has a clear vested interest in seeing evaporate.

On the economic front, the fact that Brazil has controlled inflation since 1994, when the crippling and sustained hyperinflation rates that held sway for several decades finally ended, is a formidable achievement. As a result, Brazil currently is a major economic powerhouse with an economy that is more than twice as large as Russiaís, almost as large as Chinaís and twice as large as Indiaís. Not only does half the regionís GDP originate in Brazil, half the regionís population resides in Brazil. Furthermore, Brazilís status as a world economic power is more than illustrated by the fact that it is the second largest market in the world for executive jets and helicopters; second for cellular telephones and fax machines; fourth for refrigerators; fifth for compact discs; and third for soft drinks. In addition, more than 40 percent of Latin Americaís Internet users are Brazilians, twice as many as in Mexico. Finally, with purchasing power parity of more than $1 trillion in 2001, Brazil ranks fifth in the world after the United States, China, Japan, and Germany. All these commanding economic criteria have enabled Brazil to emerge as a critical trading partner for the United States as a whole and a number of SLC states, particularly Florida, Texas and North Carolina.

Even though the economic ripple effects of the 1997-1998 East Asian economic crisis threatened to engulf Brazil, the combined efforts of the U.S. Treasury and a number of international organizations thwarted some of the more deleterious impacts of this contagion effect. While the United States contributed $5 billion from its Economic Stabilization Fund, now virtually repaid, the devaluation in 1999 of the Brazilian currency the *real*, did not precipitate long-term negative consequences. With renewed access to international capital markets, Brazil was able to embark on a growth path that registered GDP growth of 4 percent in 2000, with inflation falling to 6 percent and the countryís public sector fiscal deficit shrinking from over 10 percent of GDP in 1999 to 4 percent in 2000. Table 9 provides some details on Brazilís expected economic performance.

Brazil—Selected Economic Forecast Summary 2000 to 2002

	2000	2001	2002
ï Real GDP (% change)	4.0	3.80	4.0
ï Consumer prices (% change; avg.)	7.0	5.7	4.6
ï Exchange rate (Real:$; avg.)	1.83	2.08	2.19
ï Trade balance ($ million)	-697	-809	-352
ï Current account balance (% of GDP)	-4.0	-3.7	-4.1

table 9

Source: Economic Intelligence Unit, *The Economist*

Table 9 indicates a marginal slow-down in Brazilís growth rate in 2001 compared to the prior year. In addition, analysts continue to express concern about the steeply depreciating *real*. This slide is due to a combination of factors, not all domestic, including declining interest rates, potential disintegration of the governmentís coalition within the Congress, the specter of economic and political collapse in Argentina with the possibility of Brazil experiencing contagion effects (Brazilís largest trading partner), and the continued appreciation of the U.S. dollar with the flood of funds toward such instruments as U.S. government notes and bonds.[36]

Notwithstanding the potential for disrupting Brazilís noteworthy economic achievements in the past few years, Brazilís trading relationships with the rest of the world remain a reflection of this economic resurgence. In fact, exports to Brazil, Latin Americaís largest economy, were critical components of overall growth strategies adopted by the SLC states. Table 10 documents these export trends during the 1993-99 period and demonstrates the expansion.

SLC State Exports to the 'Big-Three' — Brazil 1993-2000 (Thousands of Dollars)

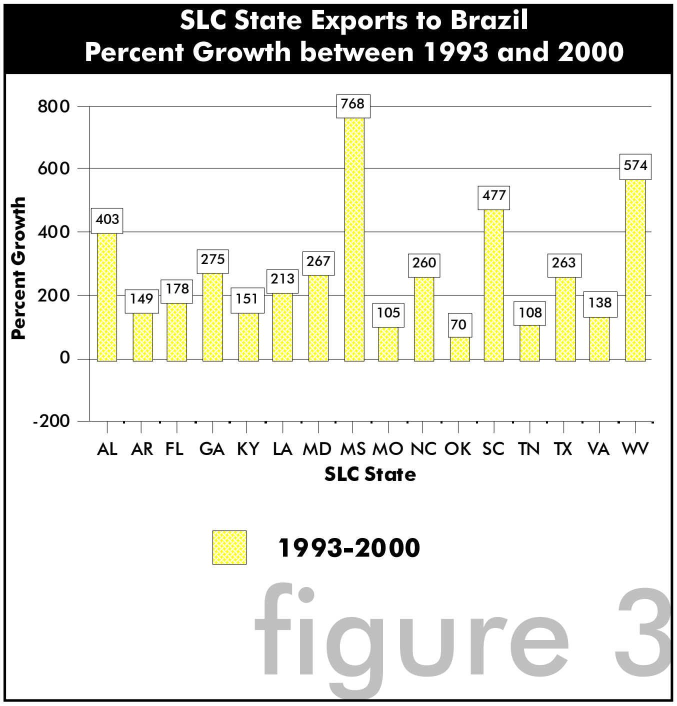
SLC State	1993	1995	1997	1999	2000
Alabama	19,912	52,957	77,463	60,395	100,218
Arkansas	6,990	25,360	22,953	11,755	17,386
Florida	728,403	1,687,625	2,586,486	2,099,798	2,025,766
Georgia	61,430	316,858	339,764	281,857	230,621
Kentucky	30,484	39,724	69,187	76,552	76,562
Louisiana	23,037	54,470	70,228	58,990	72,202
Maryland	28,158	73,182	51,305	46,433	103,259
Mississippi	1,788	6,853	12,488	34,541	15,523
Missouri	109,458	170,699	199,724	188,483	224,874
North Carolina	86,999	242,426	343,175	255,167	313,288
Oklahoma	45,703	58,562	60,897	36,534	77,783
South Carolina	15,462	75,123	87,673	119,019	89,165
Tennessee	109,890	206,312	251,750	170,118	228,513
Texas	402,874	878,068	1,230,485	1,302,915	1,463,911
Virginia	118,767	256,396	407,278	228,110	282,625
West Virginia	7,690	78,035	46,097	55,283	51,851
SLC Total-Brazil	1,797,045	4,222,650	5,856,953	5,025,950	5,373,547
U.S. Total-Brazil	6,045,448	11,443,598	15,912,282	13,249,030	15,359,612

table 10

Source: U.S. Department of Commerce, International Trade Administration

As indicated in Table 10, SLC state exports to Brazil increased by triple-digit growth rates in all but one state (Oklahoma, where it increased by a still impressive 70 percent) between 1993 and 2000. In fact, the average growth rate for the SLC as a whole during this period was almost 25 percent, while cumulatively, it was 199 percent. Brazil as an export market was considerably more important for the SLC in contrast to the United States; the average growth rate for the United States was just over 19 percent per year with the cumulative level 154.1 percent.

There was a great deal of variation among the different SLC states on percentage growth rates in exports to Brazil between 1993 and 2000 and these trends are demonstrated in Figure 3.



Source: U.S. Department of Commerce, International Trade Administration

Figure 3 indicates that the percentage growth in exports to Brazil from the SLC states between 1993 and 2000, despite a great degree of variation, was quite forceful. With the exception of Oklahoma, which experienced a 70.2 percent increase, all the other SLC states propelled ahead at triple-digit growth rates. Exports from Mississippi grew by more than 768 percent while exports from West Virginia increased by over 574 percent during this time period. The impressive export advances to Brazil by all the SLC states document that Brazil has emerged as an important export destination. In particular, Florida ranks Brazil as its number one export market; the remaining 15 SLC states rank Mexico as their number one Latin American export market.

Argentina

Another key player in the Latin American region, Argentina, remains important for the SLC states. Even though it appears that of the three major players in the region, Argentina is plagued by more economic and political woes than the other two, the Economic Intelligence Unit forecasts that on the economic front, trends could improve by 2002. (Growth is expected to increase from -0.3 percent in 2000 to 1.9 percent in 2001 and to 3.8 percent in 2002.)[37] Yet, the governmentís lack of popular support and differences within the ruling coalition remain a source of friction and an obstacle to some of the unpalatable political reforms required to foster an economic recovery. On this front, the governmentís economic recovery effort, passed by the lower house of Congress in late March 2001, involved two major planks: first, enhancing Argentinaís competitiveness and stimulating investment by increasing the tariffs on consumer goods imported from outside the MERCOSUR countries (Brazil, Argentina, Paraguay, Uruguay, Chile and Bolivia) and eliminating tariffs on capital goods imported from outside the MERCOSUR; second, improving Argentinaís public finances by introducing a financial transaction tax (expected to raise more than $2 billion in 2001) and authority to initiate state reform and market deregulation in a broad sphere of areas. Recently, an IMF-led financial assistance package of almost $40 billion temporarily eased fears about a liquidity crisis in Argentina.

In terms of short-term economic forecasts, the Economic Intelligence Unit report makes the following projections regarding Argentinaís economic prospects in several key areas, and this data is included in Table 11.

Argentina—Selected Economic Forecast Summary 2000 to 2002

	2000	2001	2002
ï Real GDP (% change)	-.03	1.9	3.8
ï Consumer prices (% change; avg.)	-0.9	-0.4	1.0
ï Exchange rate (Peso:$; avg.)	1.00	1.00	1.00
ï Trade balance ($ million)	2,248	940	960
ï Current account balance (% of GDP)	-3.9	-3.2	-3.6
ï Debt-service ratio, paid (%)	76.2	75.6	68.1

table 11

Source: Economic Intelligence Unit, *The Economist*

On a positive note, the Economic Intelligence Unit reports that Argentina ranked second in its regional business environment rankings for the historical period 1996-2000 and noted that continued structural reform will ease the costs of doing business in Argentina and enhance the countryís attractiveness to foreign investors. According to Dr. Elizabeth McQuerry of the Federal Reserve Bank of Atlanta, ìArgentinaís problems are country-specific and their spillover potential is relatively low.î[38] She anticipates GDP growth in Argentina to reach about 2 percent in 2001.

Despite less dynamic growth in Argentina, compared to Brazil and Mexico during the last few years, SLC exports to the country were important. As expected, there was a great deal more variation in positive and negative growth levels in exports to Argentina from the SLC states during the review period. Table 12 presents these trends.

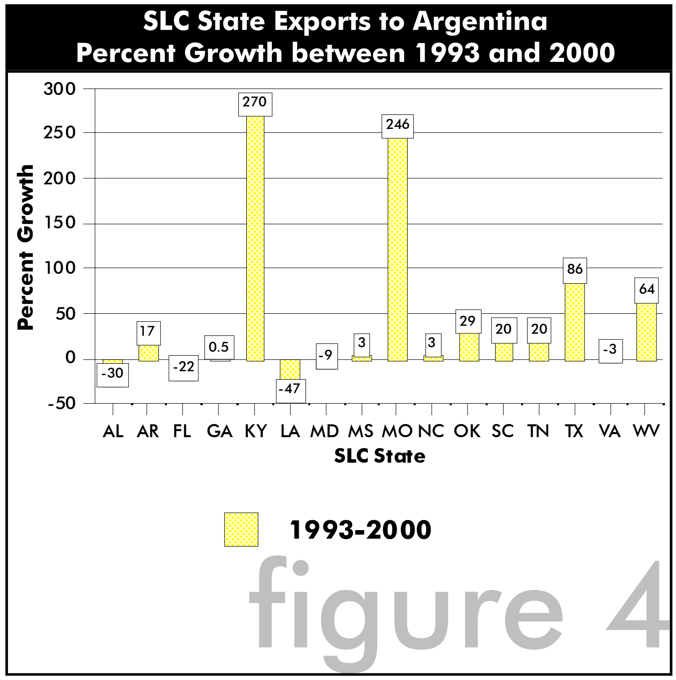
SLC State Exports to the 'Big-Three' — Argentina 1993-2000 (Thousands of Dollars)					
SLC State	**1993**	**1995**	**1997**	**1999**	**2000**
Alabama	21,771	21,398	25,472	11,389	15,208
Arkansas	4,031	12,125	9,609	4,369	4,715
Florida	747,912	695,932	889,451	734,709	582,889
Georgia	112,439	152,043	152,904	119,154	112,980
Kentucky	12,037	24,116	35,203	35,904	44,570
Louisiana	26,715	21,268	34,395	28,959	14,222
Maryland	36,948	43,320	36,293	30,185	33,651
Mississippi	10,136	2,766	5,517	6,866	10,476
Missouri	55,589	88,340	115,285	174,918	192,052
North Carolina	80,018	79,147	121,218	82,437	82,405
Oklahoma	37,514	55,372	55,254	55,132	48,384
South Carolina	27,011	21,290	38,115	19,527	32,301
Tennessee	48,084	59,815	74,989	114,547	57,736
Texas	277,889	529,059	504,868	600,865	516,822
Virginia	40,650	68,791	84,813	41,184	39,413
West Virginia	3,039	2,547	2,699	3,496	4,971
SLC Total-Argentina	1,541,783	1,877,329	2,186,085	2,063,641	1,792,795
U.S. Total-Argentina	3,771,701	4,189,535	5,807,842	4,938,523	4,700,074

table 12

Source: U.S. Department of Commerce, International Trade Administration

As documented by Table 12, exports to Argentina from the SLC states between 1993 and 2000 grew at a considerably slower pace than exports to Mexico and Brazil during the same period. In fact, cumulatively, SLC state exports expanded by 16.3 percent, or by 2.04 percent each year on average. On the other hand, total U.S. exports to Argentina grew by 24.6 percent during the same period. (The average growth rate per year was 3.08 percent in this instance.) Given these figures, it is safe to assume that Argentinaís capacity to absorb exports from the SLC states, in particular, and the United States, in general, was much more diminished than that of either Mexico or Brazil.

Notwithstanding the latter development, it is relevant to examine the growth trends associated with exports from the specific SLC state to Argentina, and Figure 4 carries out this task.



Source: U.S. Department of Commerce, International Trade Administration

As depicted in Figure 4, there is a great deal of variation in the growth rates of exports to Argentina from the SLC states between 1993 and 2000. In particular, several more states (five to be precise) had actual declines in their export numbers as opposed to SLC states exporting to Mexico and Brazil, where all the states had positive growth rates. As noted earlier, there were five SLC states that experienced declines in their exports to Argentina between 1993 and 2000: Louisiana (-47 percent); Alabama (-30 percent); Florida (-22 percent); Maryland (-9 percent); and Virginia (-3 percent). Two SLC states posted triple-digit growth rates in their exports to Argentina over the review period, including Kentucky (270 percent) and Missouri (246 percent). Six states secured double-digit growth rates including Texas (86 percent), West Virginia (64 percent), Oklahoma (29 percent), South Carolina (20 percent), Tennessee (20 percent) and Arkansas (17 percent) while the remaining three states (Mississippi and North Carolina, both at 3 percent, and Georgia at 1 percent) reached single-digit growth rates.

SLC States and Latin America: Emerging Trade Relationships

The preceding sections of this report directly demonstrate the manner in which U.S. trade with Latin America, particularly trade with the regioní s ìBig-Threeî economies, has materialized into an increasingly important relationship. This escalating trade relationship is not limited to the United States as a whole but is a critical layer of the trade relationships of all the SLC states. Consequently, the vitality of the SLC economies, a region that includes several states that rank among the fastest growing in the country, is intimately connected to the maintenance and expansion of these trading links.

A brief review of recent trends in the Latin American economies remains useful. According to the IADB, the oldest and largest regional multilateral development institution (46 member countries) established in December 1959 to accelerate economic and social development in Latin America, the regioní s economies (including the Caribbean) grew more than 4 percent during 2000 and are expected to grow around 3.5 percent during 2001.[39] Inflation in Latin America in 2000 continued to fall and reached 5.2 percent during this period, a noteworthy feat given the plethora of countries in the region that were plagued by high rates of inflation in prior years. According to the IADB, in 2000, all the countries that had experienced declines in GDP the previous year recorded positive growth rates; only Costa Rica, the Dominican Republic and Nicaragua, countries which had extraordinarily high growth rates in 1999, had lower but still high rates in 2000. Furthermore, with the exception of Argentina, the economies of the medium-sized and large countries in Latin America performed better than expected in 2000. The outlook for 2001 in Latin America remains murky, with the distinct slowing down of the U.S. economy and the pendulum-like swings of the U.S. stock markets. Given the crucial role played by the U.S. economy in all the countries in the region, any further downturns in the former could result in negative economic consequences for Latin America.

Even according to the IMF, growth in Latin America in 2001 can be expected to linger around 3.7 percent with the economic slackening in the United States crimping this growth trend.[40] The IMF opines that even though the situation differs across the regioní s countries, the largest impact of the U.S. slowdown will be felt by Mexico and a number of countries in the Andean region and in Central America. However, in economies of the region that are less open and where trade links with the United States are less important, the negative effects of the diminished U.S. economic performance will be less pronounced. Nevertheless, given the regionís sizable external financing requirements, the implications of the U.S. economic contraction on the regionís financial markets and access to capital remains critical.

The relative economic calm experienced in Latin America in 2000 after the turbulent economic storms of 1994-1999 was a welcome relief, despite the higher crude oil prices and uncertainty over the state of the U.S. economy in the latter part of 2000. Given that world trade grew by a healthy 10 percent in 2000 and is estimated to expand by almost 8 percent this year, Latin American countries stand to gain from these enhanced trading opportunities. In fact, recent developments in commodity prices proved beneficial to Latin America, even though the impact varied greatly from country to country, particularly between oil importers and exporters. Yet, copper and wheat prices rose by about 25 percent in 2000 although coffee and corn prices fell. Cumulatively, Latin Americaís terms of trade improved by about 5 percent in 2000.[41] As noted by Dr. Stanley Fischer, formerly the IMFís first deputy managing director, the marked improvement on the economic front in a number of Latin American countries is strong testimony to ìthe cautious macroeconomic policy management and continued commitment to structural reform in the region.î[42]

In assessing the growing importance of the Latin American region in the overall trade calculations of the SLC states, it is relevant to weigh their relative importance *vis-a-vis* total exports. Tables 13 and 14 demonstrate this scenario for the period 1993 and

Breakdown of SLC State Exports to Latin America 1993 (Thousands of Dollars)

SLC State	World	South America	Central America	Caribbean	Mexico	Total Latin America
Alabama	2,504,344	81,200	69,198	36,661	185,340	372,399
Arkansas	1,109,771	20,240	9,292	9,095	68,796	107,423
Florida	14,695,824	4,612,593	1,489,225	1,806,695	769,554	8,678,067
Georgia	6,050,113	414,538	252,296	190,596	324,155	1,181,585
Kentucky	3,325,866	92,584	23,451	14,861	189,874	320,770
Louisiana	3,220,327	184,204	78,424	155,230	61,062	478,920
Maryland	2,713,706	136,096	22,590	24,727	96,175	279,588
Mississippi	803,332	37,737	76,140	37,220	25,250	176,347
Missouri	4,733,284	379,091	81,763	73,652	540,362	1,074,868
North Carolina	7,976,373	366,040	295,525	268,902	365,062	1,295,529
Oklahoma	2,334,587	313,961	13,513	40,270	157,837	525,581
South Carolina	3,219,519	105,119	66,013	51,053	293,236	515,421
Tennessee	6,151,139	281,516	72,836	82,511	649,850	1,086,713
Texas	35,622,483	2,239,686	398,677	511,748	12,860,799	16,010,910
Virginia	8,118,380	328,208	94,414	109,146	302,306	834,074
West Virginia	754,077	39,941	2,221	3,096	20,972	66,230
Total SLC	103,333,125	9,632,754	3,045,578	3,415,463	16,910,630	33,004,425

table 13

Source: U.S. Department of Commerce, International Trade Administration

2000, the most recent year for which data is available, by breaking down total exports and exports to Latin America: South America, Central America, the Caribbean and Mexico.[43]

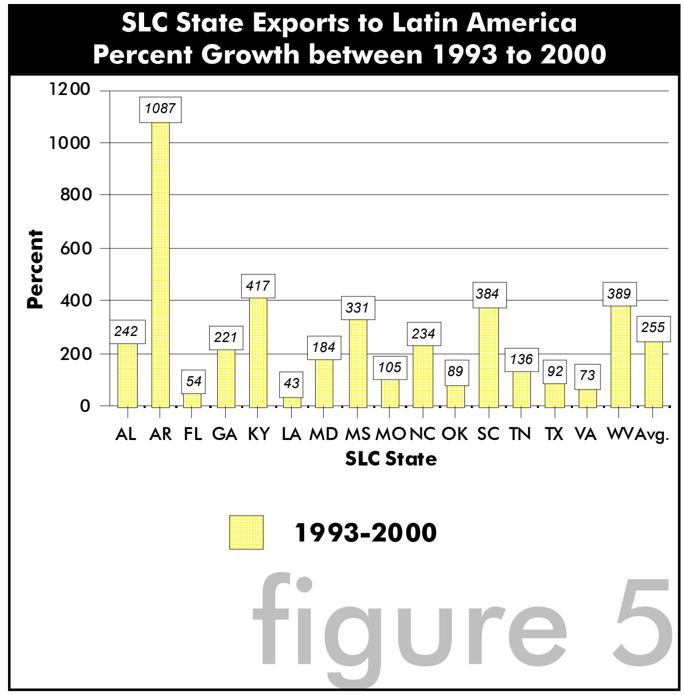
Breakdown of SLC State Exports to Latin America 2000 (Thousands of Dollars)

SLC State	World	South America	Central America	Caribbean	Mexico	Total Latin America
Alabama	5,624,496	173,872	248,863	95,568	756,249	1,274,552
Arkansas	2,067,816	40,757	20,735	35,783	349,047	446,322
Florida	24,212,982	6,076,994	2,049,973	3,240,957	1,953,868	13,321,792
Georgia	11,772,441	719,820	338,549	312,944	2,417,505	3,788,818
Kentucky	8,758,423	213,490	498,201	128,682	816,675	1,657,048
Louisiana	3,859,661	173,276	50,765	156,397	305,791	686,229
Maryland	4,996,963	208,774	26,027	31,589	526,124	792,514
Mississippi	1,775,739	52,150	67,023	62,987	578,080	760,240
Missouri	7,930,633	573,250	93,512	223,007	1,311,930	2,201,699
North Carolina	14,974,793	707,747	1,049,058	442,935	2,128,991	4,328,731
Oklahoma	3,256,614	415,677	67,009	21,337	490,881	994,904
South Carolina	7,817,552	235,411	209,692	82,712	1,964,121	2,491,936
Tennessee	11,413,722	515,072	205,610	162,206	1,676,495	2,559,383
Texas	68,746,338	4,269,365	933,621	878,100	24,622,551	30,703,637
Virginia	10,547,132	466,421	79,811	52,482	845,442	1,444,156
West Virginia	1,471,667	67,591	2,036	2,780	251,136	323,543
Total SLC	189,226,972	14,909,667	5,940,485	5,930,466	40,994,886	67,775,504

table 14

Source: U.S. Department of Commerce, International Trade Administration

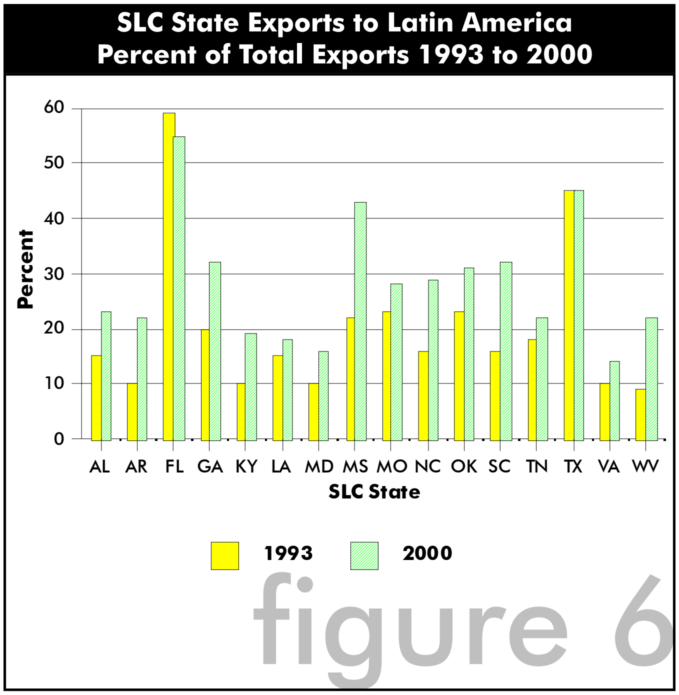
Tables 13 and 14 provide a good indication of the growing importance of exports to Latin America from the SLC states in dollar terms. In addition, Figure 5 presents a graphical representation of the percentage growth rates for the different SLC states and confirms the rising importance of the region as a export market to these SLC states.



Source: U.S. Department of Commerce, International Trade Administration

As indicated in Figure 5, not only did the value of exports for the SLC region as a whole increase by an exceptional 105.4 percent between 1993 and 2000, they increased in every single state. While certain SLC states displayed higher export growth rates than others, on average, the SLC states achieved a formidable 254.9 percent increase during the review period. In addition, a majority of the SLC states (11 out of 16) attained quadruple- and triple-digit growth rates in their exports to Latin America during the review period. Specifically, Arkansas (1,087 percent); Kentucky (417 percent); West Virginia (389 percent); South Carolina (384 percent); Mississippi (331 percent); Alabama (242 percent); North Carolina (234 percent); Georgia (221 percent); Maryland (184 percent); Tennessee (136 percent); and Missouri (105 percent) performed exceptionally well. Even the remaining SLC states expanded their exports to Latin America by more than 50 percent except for Louisiana (43 percent).

Another indication of the escalating importance of the Latin American region to the SLC state economies is quickly apparent in a review of the region relative to other regions of the world. Even in this level of analysis, Latin America emerges as a preeminent player in all the SLC statesí export calculations. In particular, while in 1993 exports to Latin America from the SLC comprised almost 32 percent of total exports (31.9 percent), in 2000, this amount increased to almost 36 percent (35.8 percent). Figure 6 demonstrates this trend graphically in comparing the Latin American quotient of the SLC statesí total exports in 1993 and 2000.



Source: U.S. Department of Commerce, International Trade Administration

As indicated in Figure 6, the ratio of exports to Latin America relative to total exports increased in every SLC state except Florida, where it dipped from 59 percent to 55 percent, and Texas, where it remained static at 45 percent. In fact, on average, more than a third, about 36 percent, of exports from the SLC states were delivered to Latin America in 2000; up from about 32 percent in 1993. There were certain states that enjoyed a stronger export relationship with the region than others; specifically, Florida (55 percent), Texas (45 percent) and Mississippi (43 percent). Several additional states shipped more than 25 percent of their total exports to Latin America, and these states included Georgia, Missouri, North Carolina, Oklahoma and South Carolina. All the remaining states exported between 14 percent and 23 percent of their total exports to Latin America, further corroboration of the regioní s vital importance in the economic performance of these SLC states.

Another perspective on assessing exports to Latin America from the SLC states involves reviewing the exports to the specific areas, i.e., South America, Central America, the Caribbean and Mexico. While the passage of NAFTA in 1994 resulted in a sharp surge in exports to Mexico from practically all parts of the United States, there have been significant gains in exports to the other three areas of Latin America too. This trend, exports to the four Latin American areas as a proportion of total exports from the SLC states, is substantiated in Table 15.

Percentage Growth in SLC State Exports to Areas within Latin America 1993-2000 (Thousands of Dollars)								
SLC State	**South America**		**Central America**		**Caribbean**		**Mexico**	
	1993	**2000**	**1993**	**2000**	**1993**	**2000**	**1993**	**2000**
Alabama	3.2	3.1	2.8	4.4	1.5	1.7	7.4	13.4
Arkansas	1.8	2.0	0.8	1.0	0.8	1.7	6.2	16.9
Florida	31.4	25.1	10.0	8.5	12.3	13.4	5.2	8.1
Georgia	6.9	6.1	4.2	2.9	3.2	2.7	5.4	20.5
Kentucky	2.8	2.4	0.7	5.7	0.4	1.5	5.7	9.3
Louisiana	5.7	4.5	2.4	1.3	4.8	4.1	1.9	7.9
Maryland	5.0	4.2	0.8	0.5	0.9	0.6	3.5	10.5
Mississippi	4.7	2.9	9.5	3.8	4.6	3.5	3.1	32.6
Missouri	8.0	7.2	1.7	1.2	1.6	2.8	11.4	26.8
North Carolina	4.6	4.7	3.7	7.0	3.4	3.0	4.6	14.2
Oklahoma	13.4	12.8	0.6	2.1	1.7	0.7	6.8	15.1
South Carolina	3.3	3.0	2.1	2.7	1.6	1.1	9.1	21.4
Tennessee	4.6	4.5	1.2	1.8	1.3	1.4	10.6	14.7
Texas	6.3	6.2	1.1	1.4	1.4	1.3	36.1	35.8
Virginia	4.0	4.4	1.2	0.8	1.3	0.5	3.7	8.0
West Virginia	5.3	4.6	0.3	0.1	0.4	0.2	2.8	17.1
SLC Average	6.9	6.1	2.7	2.8	2.6	2.5	7.7	17.0

table 15

Source: U.S. Department of Commerce, International Trade Administration

Table 15 documents that, on average, except for a slight decrease in exports to South America (6.9 percent to 6.1 percent) and an even smaller decrease in exports to the Caribbean (2.6 percent to 2.5 percent), exports to the remaining two areas of Latin Americaóas a proportion of total exportsóincreased from the SLC states. As noted earlier, exports to Mexico enjoyed the largest increase; spurting from 7.7 percent in 1993 to 17 percent in 2000, on average. In fact, it appears that the minor decline in exports to South America and the Caribbean was more than compensated for by the increase in exports to Mexico, with the percentage of exports to Mexico increasing in all the SLC states, quite significantly in a number of them.

It also is appropriate to review the composition of exports from the SLC states to the different regions of Latin America. Table 16 reports on this aspect of the SLC-Latin American export relationship for 2000 by indicating the relative importance of manufactures, agriculture and other exports (such as forestry and logging products, oil and gas extraction and mining).

Composition of SLC State Exports to Latin America 2000 (Thousands of Dollars)							
SLC State	Total Latin America	Manufactures		Agriculture		Other	
		Value	Percent	Value	Percent	Value	Percent
Alabama	1,274,552	1,170,014	91.8	58,578	4.6	45,960	3.6
Arkansas	446,323	414,009	92.8	24,228	5.4	8,086	1.8
Florida	13,321,792	12,697,018	95.3	124,295	0.9	500,479	3.8
Georgia	3,788,817	3,694,401	97.5	37,701	1.0	56,715	1.5
Kentucky	1,657,047	1,627,223	98.2	5,515	0.3	24,309	1.5
Louisiana	686,228	624,387	91.0	34,435	5.0	27,406	4.0
Maryland	792,516	761,711	96.1	2,726	0.3	28,079	3.5
Mississippi	760,240	692,777	91.1	58,839	7.7	8,624	1.1
Missouri	2,201,699	1,562,060	70.9	605,641	27.5	33,998	1.5
North Carolina	4,328,730	4,286,220	99.0	12,870	0.3	29,640	0.7
Oklahoma	994,904	927,643	93.2	2,718	0.3	64,543	6.5
South Carolina	2,491,938	2,479,367	99.5	5,200	0.2	7,371	0.3
Tennessee	2,559,382	2,188,495	85.5	346,963	13.6	23,924	0.9
Texas	30,703,639	28,783,148	93.7	632,335	2.1	1,288,156	4.2
Virginia	1,444,155	1,326,309	91.8	6,133	0.4	111,713	7.7
West Virginia	323,544	293,014	90.6	1,755	0.5	28,775	8.9
Total SLC	67,775,506	63,527,796	93.7	1,959,932	2.9	2,287,778	3.4

table 16

Source: U.S. Department of Commerce, International Trade Administration

As described in Table 16, an overwhelming percentage of exports from the SLC states to Latin America were manufactures items, with the SLC state average falling just under 94 percent. Except for Missouri and Tennessee, over 90 percent of the exports from the remaining states were manufactures items. On the agricultural export front, while the SLC state average stood at 2.9 percent of total exports, Missouri, Tennessee, Mississippi and Arkansas led the way. Finally, in terms of other exports, while the SLC state average held at 3.4 percent of total SLC exports to Latin America, none of the SLC states registered a number in double digits. West Virginia led the region in these exports with 8.9 percent of total exports belonging to this category, with Virginia (7.7 percent) and Oklahoma (6.5 percent) occupying the top three spots.

A comparison of the composition of exports from the SLC states to Latin America between 1993 and 2000 remains another useful area of analysis and is instructive in understanding the changing nature of exports from the SLC states. Table 17 documents these trends.

Percentage Composition of SLC State Exports to Latin America 1993 vs. 2000						
SLC State	**Manufactures**		**Agriculture**		**Other**	
	1993	**2000**	**1993**	**2000**	**1993**	**2000**
Alabama	90.6	91.8	1.3	4.6	8.1	3.6
Arkansas	90.9	92.8	8.6	5.4	0.5	1.8
Florida	94.6	95.3	3.4	0.9	2.0	3.8
Georgia	96.1	97.5	1.5	1.0	2.4	1.5
Kentucky	92.6	98.2	1.2	0.3	6.2	1.5
Louisiana	96.7	91.0	1.7	5.0	1.5	4.0
Maryland	98.0	96.1	0.6	0.3	1.4	3.5
Mississippi	98.0	91.1	1.2	7.7	0.8	1.1
Missouri	69.1	70.9	27.9	27.5	3.1	1.5
North Carolina	99.6	99.0	0.2	0.3	0.2	0.7
Oklahoma	79.6	93.2	8.5	0.3	11.9	6.5
South Carolina	99.7	99.5	0.1	0.2	0.2	0.3
Tennessee	75.7	85.5	22.8	13.6	1.4	0.9
Texas	93.5	93.7	3.3	2.1	3.1	4.2
Virginia	87.6	91.8	7.8	0.4	4.6	7.7
West Virginia	95.7	90.6	0.1	0.5	4.2	8.9
Total SLC	91.1	92.4	5.6	4.4	3.2	3.2

table 17

Source: U.S. Department of Commerce, International Trade Administration

As noted in Table 17, the most obvious conclusion that may be drawn from this analysis is that the export of manufactures products to Latin America from the SLC states has increased between 1993 and 2000; specifically, the percentage of manufactures items increased from 91.1 percent to 92.4 percent during this period. Conversely, the proportion of agricultural and other exports declined during this period. For instance, agricultural exports diminished from 5.6 percent to 4.4 percent and other exports remained unchanged at 3.2 percent. This trend reflects the growing strength of the manufactures sector in the SLC states and the expanding capacity of absorption by these Latin American economies. In terms of the specific SLC states, Oklahoma, Tennessee and Virginia displayed the most impressive increases in the proportion of manufactures exports. While certain SLC states experienced declines in the proportion of manufactures exports relative to total exports between 1993 and 2000, these declines were relatively minimal.

Bolstering the emerging trade relationships between the SLC states and the countries in Latin America is an important demographic trend that is sweeping the entire United States, i.e., the rapidly burgeoning Hispanic population. Not only is this trend particularly pronounced in a number of the SLC states, this growing Hispanic population likely will act as a useful bridge to further enhance the level of trade between the two regions. As noted by President Bush in an address to the Council of the Americas in May 2001, ìin 1965, so few Americans traced their ancestry to Latin America that the Census didnít even bother to tabulate them. Today, some 35 million Americans are of Hispanic origin.î[44]

Among the flourishing Hispanic population across the country, the nationís Mexican-American population passed the 20 million mark in 2000 and accounted for more of the countryís overall growth in the 1990s than did non-Hispanic whites.[45] According to the 2000 Census, while the Hispanic population grew by more than 13 million, the number of non-Hispanic whites increased by only 6.4 million. Even more surprising than the size of the Hispanic gains was the location, with much of the increases occurring outside the southwestern United States. Until 1990, three of four Mexican-Americans lived in either California or Texas. But, led by a nearly eightfold increase in North Carolina, almost sixfold in Georgia and Tennessee, almost fivefold in South Carolina, the population of Mexican-Americans doubled in the remaining 48 states. While there was growth among Hispanics of other origin, their rates were considerably lower than the spurt in growth rates experienced among Mexican-Americans.

Table 18 demonstrates this significant development by comparing the number of Hispanics in the SLC states in 1990 and in 2000, with both data sets extracted from the Census Bureauís report.

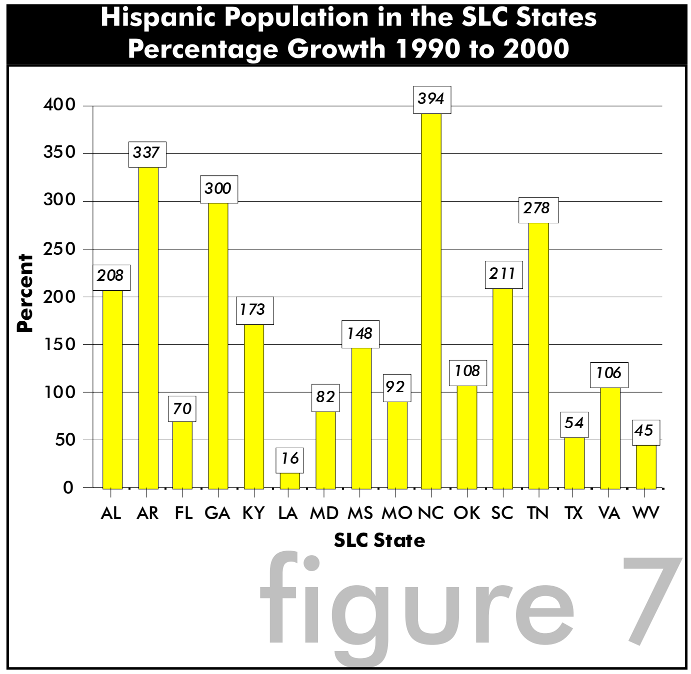
Hispanic Populations in the SLC States: 1990 vs. 2000

SLC State	1990 Census	2000 Census	Difference	
			Value	Percentage
Alabama	24,629	75,830	51,201	207.9%
Arkansas	19,876	86,866	66,990	337.0%
Florida	1,574,143	2,682,715	1,108,572	70.4%
Georgia	108,922	435,227	326,305	299.6%
Kentucky	21,984	59,939	37,955	172.6%
Louisiana	93,044	107,738	14,694	15.8%
Maryland	125,102	227,916	102,814	82.2%
Mississippi	15,931	39,569	23,638	148.4%
Missouri	61,702	118,592	56,890	92.2%
North Carolina	76,726	378,963	302,237	393.9%
Oklahoma	86,160	179,304	93,144	108.1%
South Carolina	30,551	95,076	64,525	211.2%
Tennessee	32,741	123,838	91,097	278.2%
Texas	4,339,905	6,669,666	2,329,761	53.7%
Virginia	160,288	329,540	169,252	105.6%
West Virginia	8,489	12,279	3,790	44.6%
SLC Total	6,780,193	11,623,058	4,842,865	71.4%

table 18

Source: U.S. Census Bureau, 1990 and 2000 Results

As demonstrated in Table 18, the Hispanic population in the SLC states increased significantly in the last decade, from 6.8 million in 1990 to 11.6 million in 2000, an increase of 4.8 million, or more than 71 percent. As expected, certain SLC states experienced much greater increases than others. In this connection, North Carolina (394 percent), Arkansas (337 percent) and Georgia (300 percent) experienced the largest percentage increases. At the other end of the spectrum, Louisiana (16 percent), West Virginia (45 percent) and Texas (54 percent) experienced the smallest increases. Of note, except for six SLC states, the Hispanic populations in the remaining 10 states all increased by over 100 percent. Figure 7 presents these percentage increases graphically.



Source: U.S. Census Bureau

Latinos Reshaping Georgia Mill Town

- Drawn by better pay and cheaper living, thousands of Latino workers have moved to the Dalton area since the 1990s. In the process, theyíve helped transform this town of 28,000, once heralded as the ìCarpet Capital of the World.î
- Now, the area is also the Hispanic capital of Georgia, at least in percentage terms. Whitfield County has a higher proportion of Hispanicsó22 percentóthan any other county in Georgia, according to the 2000 Census.
- More than 40 percent of the residents of Dalton, the county seat, trace their roots to Mexico, Guatemala and other Latin American countries. Theyíve launched over 150 restaurants, newspapers, retail shops and other Latino-owned businesses. In addition, more and more Hispanics are buying homes in the Dalton area.

Source: *The Atlanta Journal-Constitution*, May 13, 2001

Southern State Export Links with Latin America

The following sections provide an SLC state-specific discussion on the evolution of exports to Latin America, the Latin American countries that rank in the top 20 export destinations for the different SLC states and the results of a short survey of the SLCís international trade/marketing directors that was conducted for this report. (See Appendix A for a copy of the survey; Appendix B contains contact information for the officials that responded to the survey.)

Export Links Between Alabama and Latin America

In recent years the economy of Alabama has forged close links with the economies of Latin America. Specifically, Alabama exported $1.3 billion of merchandise to Latin America in 2000, amounting to 22.7 percent of the stateís total merchandise. (In 1993, exports amounted to 14.9 percent of Alabamaís total exports.) Exports to Latin America increased by an impressive 242.3 percent between 1993 and 2000.

A number of Alabama industries continue to rely on exports to Latin America as a generator of revenue and employment. Alabamaís manufactures sector was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise, nonmetallic minerals) sectors. The manufactures sector contributed to 92 percent of the stateís Latin American exports, with agriculture and other commodities comprising only 5 percent and 3 percent, respectively. The following industries were important in Alabamaís exports to Latin America in 2000:

- the computers and electronic equipment products sector, apparel manufactures sector and fabric mill products sector, which in 2000 alone were responsible for $192.7 million, $177.3 million and $133.2 million, respectively, of exports to **Mexico**;
- the mining sector, primary metal manufactures sector and chemical manufactures sector, which shipped $29.8 million, $27.2 million and $25.8 million, respectively, of exports to **South America**;
- the apparel manufactures sector, fabric mill products sector, crop production sector and oil and gas extraction sectors, which accounted for $183.9 million, $22.4 million, $7.5 million and $1.3 million, respectively, of exports to **Central America**; and
- the apparel manufactures sector, crop production sector and wood products sector, which shipped $20.7 million, $20.3 million and $14.4 million, respectively, of exports to the **Caribbean**.

Table 19 provides a breakdown of Alabamaís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Alabama's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	5,203,298	738,721	14	120,112	2	239,120	5	72,061	1
Agriculture	154,075	9,792	6	20,465	13	7,610	5	20,711	13
Other	267,123	7,736	3	33,295	12	2,133	1	2,796	1
Total	5,624,496	756,249	13	173,872	3	248,863	4	95,568	2

table 19

Source: U.S. Department of Commerce, International Trade Administration

The influence of Latin America as an export destination is demonstrated in the fact that the region captures four slots of the stateís top 20 export markets. The export data for these four countries indicates that between 1993 and 2000 these exports grew by an impressive 366 percent. Mexico and Honduras secured the second and eighth slots as Alabamaís export destinations.

Latin American Countries in Alabama's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
▸ Mexico	185,340	756,249	308.0	2
▸ Honduras	14,650	178,010	1,115.1	8
▸ Brazil	19,912	100,218	403.3	13
▸ Dominican Republic	15,286	61,510	302.4	15
Total	235,188	1,095,987	366.0	

table 20

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Alabama and Foreign Countries Under the 'Sister City' Program[46]

- Guatemala
- Hubei Province, China
- Taiwan

International Trade/Marketing Offices

- Stuttgart, Germany
- Tokyo, Japan

Related Information

- The Alabama Legislature recently passed Amendment I allocating money to refurbish and further develop the Port of Mobile (and several other smaller ports) as an intermodal facility with improved transportation capabilities and overhauled roads and bridges. These efforts remain a key proponent of the stateís strategic plan to expand international trade prospects.
- Even though there have been no state-level trade missions to Latin America recently, the Mobile Chamber of Commerce has initiated a number of such missions to South and Central America. Alabama is very keen on promoting its trade relationship with Latin America and is exploring a future mission to the region, possibly led by the governor.
- In terms of key Alabama corporations with a significant presence in Latin America, Russell Corporation operates four plants in Honduras.

- SCI Systems, Inc., a provider of manufacturing and supply chain services, is headquartered in Huntsville. The company operates 51 facilities in 19 countries and employs approximately 35,000 people. SCI delivers supply chain solutions through its global reach, dedication to quality, efficiency, and total commitment to customer service. The company continues to pioneer new innovative end-to-end services through its commitment to being the leading e-enabled EMS services provider. SCI is publicly traded on the New York Stock Exchange under the symbol SCI.
- In Mexico, SCI operates plants in Guadalajara, Jalisco, Juarez, Chihuahua, Mexico City, Apodaca and Nuevo Leon.

Source: *www.sci.com*

Export Links Between Arkansas and Latin America

Arkansas exported $446 million of merchandise to Latin America in 2000, amounting to 21.6 percent of the stateís total merchandise. (In 1993, exports to Latin America equaled to $107 million and contributed to 9.7 percent of Arkansasí total exports.) Exports to Latin America increased by an impressive 1,086.5 percent between 1993 and 2000.

A number of Arkansas industries continue to rely on exports to Latin America as a generator of revenue and employment. Specifically, Arkansasí manufactures sector was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise, nonmetallic minerals) sectors. The manufactures sector contributed to 93 percent of the stateís Latin American exports with agriculture and other commodities comprising 5 percent and 2 percent, respectively. The following industries were important in Arkansasí exports to Latin America in 2000:

- the electronic equipment, appliances and parts sector, primary metal manufactures sector and animal production sector, which in 2000 alone were responsible for $104.2 million, $62.4 million and $9.9 million, respectively, of exports to **Mexico**;
- the machinery manufactures sector and transportation equipment sector, which shipped $10.2 million and $8.9 million, respectively, of exports to **South America**;
- the apparel manufactures sector, machinery manufactures sector and animal products sector, which accounted for $6 million, $2.6 million and $1.5 million, respectively, of exports to **Central America**; and
- the apparel manufactures sector, processed foods sector and miscellaneous manufactures sector, which shipped $14.4 million, $8.9 million and $2.3 million, respectively, of exports to the **Caribbean**.

Table 21 provides a breakdown of Arkansasí exports to the four areas within Latin America in 2000 and their percentage of total exports.

The influence of Latin America as an export destination for Arkansas is demonstrated by the fact that Mexico was the stateís second largest export market in 2000. There were three Latin American countries that registered in Arkansasí top 20 export markets in 2000. The export data for these three countries indicates that between 1993 and 2000 exports grew by almost 397 percent. Table 22 provides the details of this export relationship.

Composition of Arkansas' Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	1,985,994	328,283	17	34,298	2	19,064	1	32,364	2
Agriculture	53,865	14,914	28	6,213	12	1,478	3	1,623	3
Other	27,956	5,850	21	247	1	192	1	1,797	6
Total	2,067,815	349,047	17	40,758	2	20,734	1	35,784	2

table 21

Source: U.S. Department of Commerce, International Trade Administration

Latin American Countries in Arkansas' Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	**1993**	**2000**	**Change (%)**	**2000 Ranking**
‣ Mexico	68,796	349,047	407.4	2
‣ Brazil	6,990	17,386	148.7	16
‣ Jamaica	492	12,356	2,411.4	20
Total	76,278	378,789	396.6	

table 22

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Arkansas and Foreign Countries Under the 'Sister City' Program

- Eastern Bolivia
- Taiwan
- the state of Bavaria, Germany

International Trade/Marketing Offices

- Mexico City, Mexico (since 1994)
- Brussels, Belgium (since 1976)
- Tokyo, Japan (since 1985)
- Kuala Lumpur, Malaysia (since 1995)
- Liaison offices (sub-contracted to local marketing firms) in Santiago, Chile; Buenos Aires, Argentina; and Sao Paulo, Brazil.

- Wal-Mart Stores, Inc. is the worldís largest retailer, with $191 billion in sales in the fiscal year ending January 31, 2001. While the first Wal-Mart opened in Rogers, Arkansas, in 1962, the company opened its first distribution center and home office in Bentonville, Arkansas, in 1970. The company employs more than 1 million employees worldwide through nearly 3,500 facilities in the United States and more than 1,000 units in Mexico (505 stores), Puerto Rico, Canada, Argentina (11 stores), Brazil (20 stores), China, Korea, Germany and the United Kingdom. More than 100 million customers per week visit Wal-Mart stores.

Source: *www.walmart.com*

Export Links Between Florida and Latin America

In recent years the economy of Florida has forged close links with the economies of Latin America. Florida exported $13.3 billion of merchandise to Latin America in 2000 amounting to 55 percent of the stateís total merchandise. (In 1993, these exports amounted to $8.7 billion and represented 59.1 percent of Floridaís total exports.) Exports to Latin America increased by almost 54 percent between 1993 and 2000.

A number of Florida industries continue to rely on exports to Latin America as a generator of revenue and employment. Floridaís manufactures sector was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise and nonmetallic minerals) sectors. The manufactures sector contributed to 95 percent of the stateís Latin American exports, with agriculture and other commodities comprising under 1 percent and 4 percent, respectively. The following industries were important in Floridaís exports to Latin America in 2000:

- the computers and electronic products sector, miscellaneous manufactures sector, electronic equipment, appliances and parts sector and crop production sector, which in 2000 alone were responsible for $536.2 million, $200 million, $180.4 million and $8.2 million, respectively, of exports to **Mexico**;
- the computers and electronic products sector, machinery manufactures sector, chemical manufactures sector, crop production and the waste and scrap products sector, which shipped $2.8 billion, $889.2 million, $427.2 million, $28.9 million and $19.7 million, respectively, of exports to **South America**;
- the computers and electronic products sector, machinery manufactures sector, apparel manufactures sector, waste and scrap products sector and crop production sectors, which accounted for $405.5 million, $224 million, $211 million, $17.3 and $10.2 million, respectively, of exports to **Central America**; and
- the computers and electronic products sector, apparel manufactures sector, transportation equipment products sector and crop production sector, which shipped $410.4 million, $356.2 million, $270.7 million and $59.6 million, respectively, of exports to the **Caribbean**.

Table 23 provides a breakdown of Floridaís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Florida's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	22,570,756	1,902,548	8	5,899,574	26	1,915,048	8	2,979,848	13
Agriculture	531,422	9,298	2	33,960	6	14,109	3	66,928	13
Other	1,110,803	42,022	4	143,460	13	120,816	11	194,181	17
Total	24,212,981	1,953,868	8	6,076,994	25	2,049,973	8	3,240,957	13

table 23

Source: U.S. Department of Commerce, International Trade Administration

The overwhelming influence of Latin America as an export destination for Florida is quickly apparent in the fact that the region captures 13 slots, well over one-half, of the stateís top 20 export markets. The export data for these 13 countries indicates that between 1993 and 2000 exports grew by almost 55 percent. While Brazil and Mexico secured the second and third slots as Floridaís export destinations, six of the countries that were in Floridaís top 10 export markets were in Latin America. Even though two countries in the region (Colombia and Argentina) experienced negative growth rates between 1993 and 2000, they still retained their positions in the classification of Floridaís top 10 export markets.

Latin American Countries in Florida's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)

Country	1993	2000	Change (%)	2000 Ranking
▸ Brazil	728,403	2,025,766	178.1	2
▸ Mexico	769,554	1,953,868	153.9	3
▸ Venezuela	1,002,093	1,199,959	19.7	5
▸ Dominican Republic	530,999	1,080,271	103.4	6
▸ Colombia	878,612	702,753	(20.0)	8
▸ Argentina	747,912	582,889	(22.1)	10
▸ Chile	343,466	505,352	47.1	12
▸ Bahamas	314,814	497,030	57.9	13
▸ Guatemala	344,776	454,929	31.9	14
▸ El Salvador	206,586	377,721	82.8	17
▸ Costa Rica	325,872	376,266	15.5	18
▸ Jamaica	262,588	373,323	42.2	19
▸ Panama	318,211	355,206	11.6	20
Total	6,773,886	10,485,333	54.8	

table 24

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Florida and Foreign Countries Under the 'Sister City' Program

- Northern and Central Colombia
- Wakayama, Japan

International Trade/Marketing Offices

- Mexico City, Mexico
- Bogota, Colombia
- Caracas, Venezuela
- Sao Paulo, Brazil
- Israel
- England
- Spain
- Japan
- Korea
- Taiwan
- Canada

Related Information

- Florida is one of the nationís most proactive states in pursuing international trade as an economic development strategy. Effective January 1, 1997, Enterprise Florida (the stateís economic development arm), fully assumed the economic development and trade expansion responsibilities for the state after the Florida Department of Commerce and the Florida International Affairs Commission were dissolved. The legislation designates Enterprise Florida as the principal economic development organization for the state and the entity responsible for leading business development by establishing a unified approach to Floridaís international trade and reverse investment efforts; marketing the state as a pro-business location for potential new investment; and assisting in the creation, retention and expansion of existing businesses.
- Not only is Latin America Floridaís largest trading partner, a plethora of Florida companies are extremely active in the Latin American region. Lockheed Martinís Network Communications Division, Epik Communications, Citrix, and BellSouth represent just a fraction of the companies active in Latin America.
- Floridaís Governor Jeb Bush led a delegation of 101 Florida business leaders to Mexico City in July 1999 and another delegation of 53 to Sao Paulo, Brazil in July 2000.

- Citrix Systems, Inc., is a global leader in application server software and services, with $470.4 million (FY2000) in revenues. Founded in 1989 and headquartered in Fort Lauderdale, FL, Citrix has approximately 1,400 employees in 12 countries worldwide. Citrix products are available in more than 60 countries and more than 40 percent of the companyís revenue is generated outside the United States.
- Citrix Systems, Inc. recently announced the expansion of its training facilities in Latin America with the opening of a Citrix Authorized Learning Center (CALC) in Argentina. Located in Buenos Aires, the new center is operated by Buffa Sistemas (BS) training center, a company authorized by Citrix in February 2000. There are currently 3 other CALC facilities in Latin America, located in Brazil (2) and Mexico (1).

Source: *www.citrix.com*

Export Links Between Georgia and Latin America

Georgia exported $3.8 billion of merchandise to Latin America in 2000 amounting to 32.2 percent of the stateís total merchandise. (In 1993, these exports amounted to $1.2 billion and represented 19.5 percent of Georgiaís total exports.) Exports to Latin America increased by 220.7 percent between 1993 and 2000.

A number of Georgia industries continue to rely on exports to Latin America as a generator of revenue and employment. Georgiaís manufactures sector was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise, nonmetallic minerals) sectors. The manufactures sector contributed to 98 percent of the stateís Latin American exports with agriculture and other commodities both comprising about 1 percent. The following industries were important in Georgiaís exports to Latin America in 2000:

- the computers and electronic products sector, electronic equipment, appliances and parts sector and crop production sector, which in 2000 alone were responsible for $1.2 billion, $264.8 million and $13.2 million, respectively, of exports to **Mexico**;
- the computers and electronic products sector, paper products sector and crop production, which shipped $205 million, $121.5 million and $4.8 million, respectively, of exports to **South America**;
- the apparel manufactures sector, paper products sector, machinery manufactures sector and animal production sector, which accounted for $145.8 million, $53 million, $22.7 million and $5.2 million, respectively, of exports to **Central America**; and
- the processed foods sector, apparel manufactures sector, wood products sector and animal production sector, which shipped $56.3 million, $44.8 million, $39.9 million and $8.5 million, respectively, of exports to the **Caribbean**.

Table 25 provides a breakdown of Georgiaís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Georgias' Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	11,101,568	2,376,829	21	700,128	6	327,207	3	290,237	3
Agriculture	202,031	13,413	7	5,031	2	8,315	4	10,942	5
Other	468,842	27,263	6	14,661	3	3,027	1	11,764	3
Total	11,772,441	2,417,505	21	719,820	6	338,549	3	312,943	3

table 25

Source: U.S. Department of Commerce, International Trade Administration

The significant influence of Latin America as an export destination for Georgia is apparent in the fact that the region captures five slots in the stateís top 20 export markets. The export data for these five countries indicates that between 1993 and 2000 these exports grew by a staggering 378 percent. While Mexico secured the second slot in Georgiaís export destinations, Brazil, Dominican Republic, Honduras and Argentina were the other Latin American countries that ranked in Georgiaís top 20 export markets.

Latin American Countries in Georgia's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
Mexico	324,155	2,417,505	645.8	2
Brazil	61,430	230,621	275.4	11
Dominican Republic	86,332	122,479	41.9	18
Honduras	42,024	113,232	169.4	19
Argentina	112,439	112,980	0.5	20
Total	626,380	2,996,817	378.4	

table 26

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Georgia and Foreign Countries Under the 'Sister City' Program

- Pernambuco, Brazil
- Kagoshima Prefecture, Japan
- Guam; Cebu, Philippines
- Koje Island, Korea
- Lorraine Province, France
- Republic of Georgia
- Taipei Municipality
- Tsushima Island, Japan

International Trade/Marketing Offices

- Mexico City, Mexico (since 1993)
- Sao Paulo, Brazil
- Kuala Lampur, Malaysia (covering nine East Asian countries)
- Toronto, Canada (covering Canada)
- Shanghai, China (covering China)
- Brussels, Belgium (covering Europe)
- Jerusalem, Israel (covering Israel, Jordan and Turkey)
- Tokyo, Japan (covering Japan)
- Seoul, Korea (covering Korea)
- Sandown, South Africa (covering Africa)

- Atlanta has become a major gateway to the United States for Latin Americans and the city is pursuing a strategy to persuade these travelers ìto shop and stay awhileî before connecting to another flight.
- The majority of international flights landing at Atlantaís Hartsfield International Airportóthe worldís busiest airportónow originate from the Latin American/Caribbean region. The percentage of flights grew from just 17 percent in 1996 to 43 percent in 1998 to 50 percent in 2000 and is estimated to top 64 percent by the end of 2001.

Source: *The Atlanta Business Chronicle*, March 30-April 5, 2001)

Related Information

- Not only is Latin America one of Georgiaís major trading partners, a number of Georgia corporations are very active in the Latin American region. Some of these companies include BellSouth, Delta Air Lines, Equifax, The Home Depot, The Coca-Cola Company and United Parcel Service.
- Exemplifying Georgiaís commitment to promote trade with Latin America is the fact that the state has initiated a number of missions, led by high-level state officials, to the region. For instance, in July 1997, then-Governor Zell Miller led a team on a trade and investment mission to Brazil and Argentina. In November 1999, the commissioner of the Georgia Department of Industry, Trade and Tourism (GDITT), the stateís economic development entity, led a mission to Argentina. In addition, the department has initiated several smaller missions to Mexico, Argentina, Brazil and Chile recently. In terms of reinforcing the importance of Latin America as one of Georgiaís critical trading partners, the GDITTís deputy commissioner for international trade notes the following:

  > ìIt is a primary region for trade development and for very targeted investment promotion. We increasingly see Latin American executives considering Georgia (and Atlanta) as an effective alternative gateway to the U.S. market and, of course, we want to foster and encourage this trend.î[47]

- Store openings in Latin America are part of The Home Depotís ongoing international expansion that will bring its services to ìvirtually everywhere in the world,î according to its international division. In Mexico, The Home Depot bought four stores in Monterrey and Mexico City from Total Home, a subsidiary of industrial conglomerate Alfa SA. The Home Depot had considered expansion in Mexico in the early 1990s but scrapped those plans after the December 1994 peso devaluation. The Home Depot opened its first store outside North America in 1998 in Chile, which was picked for its stable economy and growing middle class. To build the operation there, The Home Depot partnered with Chilean department store chain *Falabella*. The Home Depot has five stores in Chile and plans to open two there this year. The company landed in Argentina (Buenos Aires) in 1999 and operates three stores there. In addition, The Home Depot opened two new stores in Barracas and Don Torcuato near Buenos Aires, Argentina, and plans to open seven more in Argentina in the next 18 months.

Source: *www.homedepot.com*

- The Coca-Cola Company began production in Argentina in 1942, and by the end of 1943, in-country sales amounted to 300,000 cases using 20 distribution trucks. Presently, *Coca-Cola de Argentina S.A.* sells around one thousand times more products annually than during that historic first year through a distribution fleet of 3,000 trucks and 18,000 employees.

Source*: www.cocacola.com*

- BellSouth launched an initiative to help working children in Latin America return to school. *BellSouth Pronino* is backed by a five-year commitment of $6 million from the BellSouth Foundation to support 6,000 kids per year through scholarships to cover school enrollment and other costs of student participation.

Source: *www.bellsouth.com*

Export Links Between Kentucky and Latin America

Kentucky exported $1.7 billion of merchandise to Latin America in 2000, amounting to 18.9 percent of the stateís total merchandise. (In 1993, these exports totaled $320.1 million and represented 9.6 percent of Kentuckyís total exports.) Exports to Latin America increased by 417 percent between 1993 and 2000, an indication of the important role played by the region in Kentuckyís economy. Not only did the value of Kentuckyís exports to Latin America increase substantially, their relative importance as a proportion of Kentuckyís total exports also grew sizably.

A number of Kentucky industries continue to rely on exports to Latin America as a generator of revenue and employment. Kentuckyís manufactures sector was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise, nonmetallic minerals) sectors. The manufactures sector contributed to more than 98 percent of the stateís Latin American exports, with agriculture and other commodities each comprising about 1 percent. The following industries were important in Kentuckyís exports to Latin America in 2000:

- the computers and electronic products sector, fabric mill products sector and mining sector, which in 2000 alone were responsible for $173.1 million, $148 million and $5.7 million, respectively, of exports to **Mexico**;
- the computers and electronic products sector and machinery manufactures sector, which shipped $86.4 million and $36.6 million, respectively, of exports to **South America**;
- the apparel manufactures sector and fabric mill products sector, which accounted for $438.4 million and $23.9 million, respectively, of exports to **Central America**; and
- the apparel manufactures sector, which shipped $102.4 million of exports to the **Caribbean**.

Table 27 provides a breakdown of Kentuckyís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Kentucky's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	8,422,449	800,260	10	207,766	2	492,370	6	126,827	2
Agriculture	124,884	922	1	2,995	2	611	0	987	1
Other	211,090	15,492	7	2,729	1	5,220	2	868	0
Total	8,758,423	816,674	9	213,490	2	498,201	6	128,682	1

table 27

Source: U.S. Department of Commerce, International Trade Administration

The notable influence of Latin America as an export destination for Kentucky is apparent in the fact that the region captures five slots of the stateís top 20 export markets. The export data for these five countries indicates that between 1993 and 2000 these exports grew by an overwhelming 528 percent, mainly because of the tremendous growth experienced in Kentuckyís exports to El Salvador, the Dominican Republic and Honduras. While Mexico secured the third slot in Kentuckyís export destinations, Honduras and El Salvador were the other Latin American countries that ranked in Kentucky top 20 export markets.

Latin American Countries in Kentucky's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
Mexico	189,874	816,675	330.1	3
Honduras	6,761	260,636	3,755.0	5
El Salvador	2,034	200,577	9,761.2	8
Dominican Republic	1,417	92,197	6,406.5	14
Brazil	30,484	76,752	151.8	15
Total	230,570	1,446,837	527.5	

table 28

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Kentucky and Foreign Countries Under the 'Sister City' Program

- Quito, Ambato and Santo Domingo in Ecuador
- Taiwan
- Jiangxi Province, China

International Trade/Marketing Offices

- Guadalajara, Mexico (since May 1997)
- Brussels, Belgium
- Tokyo, Japan

Related Information

- Further reinforcing Kentuckyís commitment to promote trade with Latin America are the series of smaller trade and investment delegations that visited Mexico and the July 2001 delegation to be led by Governor Patton (a combination of high-level government officials and corporate representatives) to Argentina, Brazil and Chile. While the role played by United Parcel Serviceís Kentucky operations in trade with Latin America remains very important, according to the departmentís deputy commissioner, trade relations with Latin America is ìrapidly expanding and the subject of intense interest both by government and business.î[48]

Export Links Between Louisiana and Latin America

In recent years the economy of Louisiana has established close links with the economies of Latin America. Louisiana exported $686.2 million of merchandise to Latin America in 2000, amounting to 18 percent of the stateís total merchandise. (In 1993, these exports amounted to $478.9 million and represented 14.9 percent of total exports.) Exports to Latin America increased by 43.3 percent between 1993 and 2000.

A number of Louisiana industries continue to rely on exports to Latin America as a generator of revenue and employment. Louisianaís manufactures sector was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise, nonmetallic minerals) sectors. The manufactures sector contributed to more than 91 percent of the stateís Latin American exports, with agriculture and other commodities contributing 5 percent and 4 percent, respectively. The following industries were important in Louisianaís exports to Latin America in 2000:

- the chemical manufactures sector, machinery manufactures sector and fishing, hunting and trapping sectors, which in 2000 alone were responsible for $86.4 million, $49.6 million and $6.2 million, respectively, of exports to **Mexico**;
- the machinery manufactures sector and chemical manufactures sector, which shipped $66.5 million and $40.4 million, respectively, of exports to **South America**;
- the machinery manufactures sector and processed food sector, which accounted for $12.1 million and $8.9 million, respectively, of exports to **Central America**; and
- the machinery manufactures sector and chemical manufactures sector, which shipped $42.4 million and $36.2 million of exports to the **Caribbean**.

Table 29 provides a breakdown of Louisianaís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Louisiana's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	2,651,074	260,645	10	163,759	6	49,315	2	150,668	6
Agriculture	1,091,254	31,208	3	26	0	510	0	2,691	0
Other	117,333	13,938	12	9,491	8	940	1	3,037	3
Total	3,859,661	305,791	8	173,276	4	50,765	1	156,396	4

table 29

Source: U.S. Department of Commerce, International Trade Administration

The notable influence of Latin America as an export destination for Louisiana is apparent in the fact that the region captures four slots in the stateís top 20 export markets. The export data for these four countries indicates that between 1993 and 2000 these exports grew by over 137 percent, despite the negative growth experienced in one of the stateís export markets (Venezuela). Not only did Mexico secure the third slot in Louisianaís export destinations, the more than 400 percent growth rate in exports to Mexico helped bolster overall exports to the region.

Latin American Countries in Louisiana's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
Mexico	61,062	305,791	400.8	3
Brazil	23,037	72,202	213.4	12
Jamaica	62,385	66,801	7.1	13
Venezuela	66,356	60,422	(8.9)	14
Total	212,840	505,216	137.4	

table 30

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Louisiana and Foreign Countries Under the 'Sister City' Program

- El Salvador
- Taiwan

International Trade/Marketing Offices

- Mexico City, Mexico
- Taipei, Taiwan
- Herborn, Germany

Related Information

- Several Louisiana-based companies remain active in Latin America, notably Hibernia Bank, Bruce Foods and Omni Industries.

- In late 1998, OMNI Energy Services Corporation, one of the largest and fastest growing seismic support companies in the U.S. (headquartered in Carencro, Louisiana) announced plans for a major expansion of its business operations into South America. OMNI International-South America will perform seismic drilling, helicopter support services, seismic survey and seismic line cutting throughout South America and will manufacture seismic drilling equipment for its use in the South American market and for resale.
- OMNI International-South America has initial contracts in place in Bolivia utilizing up to 40 Bolivian line cutting and survey support crews. Additional projects are expected in Bolivia, Argentina, Peru and Ecuador.

Source: *www.omnienergy.com*

Export Links Between Maryland and Latin America

Maryland exported $792.5 million of merchandise to Latin America in 2000, amounting to 15.9 percent of the stateís total merchandise. (In 1993, these exports totaled $279.6 million and represented 10.3 percent of Marylandís total exports.) Exports to Latin America increased by 183.5 percent between 1993 and 2000.

A number of Maryland industries continues to rely on exports to Latin America as a generator of revenue and employment. Marylandís manufactures sector was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise and nonmetallic minerals) sectors. The manufactures sector contributed to more than 96 percent of the stateís Latin American exports, with agriculture and other commodities contributing under one-half percent and slightly under 4 percent, respectively. The following industries were important in Marylandís exports to Latin America in 2000:

- the computers and electronic products sector, electronic equipment, appliances and parts sectors and paper products sector, which in 2000 alone were responsible for $264.5 million, $59.6 million and $37.4 million, respectively, of exports to **Mexico**;
- the computers and electronic products sector, chemical manufactures sector and mining sector, which shipped $44.1 million, $33.5 million and $7.7 million, respectively, of exports to **South America**;
- the computers and electronic products sector, chemical manufactures sector and used merchandise sector, which accounted for $5.9 million, $2.1 million and $2.2 million, respectively, of exports to **Central America**; and
- the chemical manufactures sector, computers and electronic products sector and crop production sector, which shipped $7.5 million, $5.6 million and $1.2 million of exports to the **Caribbean**.

Table 31 provides a breakdown of Marylandís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Maryland's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	4,630,182	519,278	11	190,645	4	22,385	0	29,403	1
Agriculture	12,342	222	2	659	5	641	5	1,204	10
Other	354,439	6,625	2	17,471	5	3,001	1	982	0
Total	4,996,963	526,125	11	208,775	4	26,027	1	31,589	1

table 31

Source: U.S. Department of Commerce, International Trade Administration

The influence of Latin America as an export destination for Maryland is apparent in the fact that the region captures two slots in the stateís top 20 export markets. The export data for these countries indicates that between 1993 and 2000 these exports grew by over 406 percent. Not only did Mexico capture the second slot in Marylandís export destinations, the 447 percent growth rate in exports to Mexico certainly helped bolster overall exports to the region.

Latin American Countries in Marylands's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
Mexico	96,175	526,124	447.0	2
Brazil	28,158	103,259	266.7	12
Total	124,333	629,383	406.2	

table 32

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Maryland and Foreign Countries Under the 'Sister City' Program

- Anhui Province, China
- Jalisco, Mexico
- Kanagawa Prefecture, Japan
- Kyongsangnam Do, Korea
- Lodz Province, Poland
- Nord Pas de Calais, France
- Rio de Janeiro, Brazil
- St. Petersburg, Russia
- Walloon Region, Belgium

International Trade/Marketing Offices

- Mexico City, Mexico
- Buenos Aires, Argentina
- Sao Paulo, Brazil
- Santiago, Chile
- Taipei, Taiwan
- Rotterdam, Netherlands
- Benmore, South Africa
- Shanghai, China
- Misgav, Israel

Related Information

- A number of Maryland-based companies are active in Latin America, notably McCormick and Northrop Grumman. Another measure enacted by the Maryland General Assembly in fiscal year 2000 involved a $150,000 grant program for trade enhancement.
- In an effort to further Marylandís economic exposure in Latin America, in 1999, Governor Glendening led a mission of high-level state and corporate officials to Buenos Aires, Argentina and Rio de Janeiro, Brazil. A key component of this mission was promoting the tremendous capabilities of the Port of Baltimore as a gateway for enhanced trade between Latin America and the United States.

- Headquartered in Bethesda, Maryland, Lockheed Martin is a global enterprise principally engaged in the research, design, development, manufacture and integration of advanced-technology systems, products and services. The corporationís core businesses are systems integration, space, aeronautics, and technology services. Lockheed Martin had 1999 sales surpassing $25 billion.
- Lockheed Martin fighters and transport aircraft have a long history of serving customers in the Americas. The F-16 has been used by the Venezuelan Air Force since 1983 and is a leading candidate to modernize the air forces of Chile and Brazil. In terms of transport aircraft, there are 64 countries worldwide in which the C-130 Hercules aircraft is in use, of which there are 11 in the Americas, including Argentina, Panama, Venezuela, Chile and Brazil.

Source: *www.lockheed.com*

Mississippi

Export Links Between Mississippi and Latin America

Mississippi exported $760 million of merchandise to Latin America in 2000, amounting to 42.8 percent of the stateís total exports. (In 1993, these exports amounted to $176.3 million and represented 22 percent of Mississippiís total exports.) The significant growth in the percentage of Mississippiís total exports flowing to Latin America between 1993 and 2000 is an indication of the stateís focused efforts to expand trade links with the region. This trend is further bolstered by the fact that exports to Latin America from Mississippi increased by a sizable 331.1 percent between 1993 and 2000.

A number of Mississippi industries continues to rely on exports to Latin America as a generator of revenue and employment. Mississippiís manufactures sector was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise and nonmetallic minerals) sectors. The manufactures sector contributed to more than 91 percent of the stateís Latin American exports, with agriculture and other commodities contributing about 8 percent and 1 percent, respectively. The following industries were important in Mississippiís exports to Latin America in 2000:

- the computers and electronic products sector, apparel manufactures sector and crop production sector, which in 2000 alone were responsible for $173.9 million, $97.2 million and $57.4 million, respectively, of exports to **Mexico**;
- the chemical manufactures sector and transportation equipment sector, which shipped $19.9 million and $6.2 million, respectively, of exports to **South America**;
- the apparel manufactures sector and machinery manufactures sector, which accounted for $26.7 million and $5.1 million, respectively, of exports to **Central America**; and
- the apparel manufactures sector and transportation equipment sector, which shipped $17.9 million and $13.1 million of exports to the **Caribbean**.

Table 33 provides a breakdown of Mississippiís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Mississippi's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	1,640,601	514,194	31	50,278	3	66,427	4	61,878	4
Agriculture	110,163	57,450	52	1,343	1	46	0	0	0
Other	24,976	6,436	26	530	2	550	2	1,108	4
Total	1,775,740	578,080	33	52,151	3	67,023	4	62,986	4

table 33

Source: U.S. Department of Commerce, International Trade Administration

The conspicuous influence of Latin America as an export destination for Mississippi is more than apparent in the fact that the region captures five slots in the stateís top 20 export markets. The export data for these countries indicates that between 1993 and 2000 these exports grew by a staggering 661.9 percent. A key feature of this sizable expansion is the fact that export growth to one country in the region (Mexico) expanded by over 2,000 percent and two countries in the region (Bahamas and Brazil) expanded by over 700 percent during this eight-year period. In fact, three Latin American countries occupied slots in the stateís top 10 export destinations in 2000, a clear example of the importance of the region to Mississippiís economic performance.

Latin American Countries in Mississippi's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
‣ Mexico	25,250	578,080	2,189.4	1
‣ Honduras	42,962	51,821	20.6	5
‣ Dominican Republic	19,073	31,113	63.1	7
‣ Bahamas	1,775	15,614	779.7	16
‣ Brazil	1,788	15,523	768.2	18
Total	90,848	692,151	661.9	

table 34

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Mississippi and Foreign Countries Under the 'Sister City' Program

- Guyana
- Taiwan

International Trade/ Marketing Offices

- Santiago, Chile
- Yokohama, Japan
- London, England
- Singapore

Related Information

- There are several Mississippi-based companies that are active in Latin America, notably WorldCom; Southern Company (Mississippi Power); Tecumseh Corporation; and Fride Goldman. A measure enacted by the Mississippi Legislature in fiscal year 2000 involved a $150,000 grant program for trade enhancement.
- In an effort to further Mississippiís economic exposure in Latin America, in 1996, then-Governor Kirk Fordice led a team of high-level state and corporate officials to four Brazilian cities, three Chilean cities and Buenos Aires, Argentina, to promote the stateís ports, develop trade potential, market the stateís transportation and distribution capabilities and recruit inbound investment.
- In 1998, another Mississippi delegation toured five Brazilian states to advance the stateís transportation and distribution capabilities. As noted by the stateís deputy director for international development, ìLatin America is a primary market/region for Mississippi (and the entire southeastern United States) for trade, investment, transportation and distribution opportunities.î[49]

- In a move that leverages the experience and breadth of Latin Americaís premier integrated communications provider, Clinton, Mississippi based WorldCom announced in March 2001 the creation of a new business unit that consolidates the companyís Latin American activities into a single, regional entity, called WorldCom Latin America. The regional entity, based in Miami, will offer advanced data, Internet and voice communications services of an unprecedented size, scope and quality to customers ranging from individuals to multinational corporations in the Latin American communications market, currently valued at US$80 billion and expected to grow 25 percent per year through 2002.
- WorldCom Latin America will focus primarily on providing communications services to customers in the following 14 markets: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Guatemala, Mexico, Panama, Paraguay, Peru, Puerto Rico, Uruguay, and Venezuela. The combined regional capability will include more than 100,000 data and Internet customers; nearly 11 million residential and business customers; more than 15,000 employees; a fiber optic network of more than 27,000 kilometers; 268 network nodes across the region; a full portfolio ranging from advanced messaging to seamless IP/ATM services; extensive high-capacity undersea cables; and, outstanding satellite holdings covering most of the Americas.

Source: *www.worldcom.com*

Missouri

Export Links Between Missouri and Latin America

In recent years the economy of Missouri has established close links with the economies of Latin America. Missouri exported $2.2 billion of merchandise to Latin America in 2000, comprising 27.8 percent of the stateís total merchandise. (In 1993, these exports totaled to $1.07 billion and represented 22.7 percent of Missouriís total exports.) The over 104 percent growth in the percentage of Missouriís total exports flowing to Latin America between 1993 and 2000 remains an indication of the stateís drive to foster trade links with the region. Even as a proportion of total exports, Missouriís exports to Latin America increased from 22.7 percent to 27.8 percent.

A number of Missouri industries continues to rely on exports to Latin America as a generator of revenue and employment. Missouriís manufactures sector was a major factor in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise, nonmetallic minerals) sectors. The manufactures sector contributed to almost 71 percent of the stateís Latin American exports with agriculture and other commodities contributing almost 28 percent and 1 percent respectively. The following industries were important in Missouriís exports to Latin America in 2000:

- the crop production sector, electronic equipment, appliances and parts sectors, chemical manufactures sector and waste and scrap sectors, which in 2000 alone were responsible for $563 million, $148.8 million, $99.3 million and $5.4 million, respectively, of exports to **Mexico**;
- the chemical manufactures sector, machinery manufactures sector, crop production sector and mining sector, which shipped $366.3 million, $51.1 million, $22.5 million and $4.3 million, respectively, of exports to **South America**;
- the apparel manufactures sector, chemical manufactures sector and crop production sector, which accounted for $31.2 million, $16.9 million and $11.2 million, respectively, of exports to **Central America**; and
- petroleum and coal products sector, machinery manufactures sector and crop production sector, which shipped $172 million, $9.8 million and $7.7 million of exports to the **Caribbean**.

Table 35 provides a breakdown of Missouriís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Missouri's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	6,737,489	720,983	11	545,013	8	81,266	1	214,798	3
Agriculture	981,967	564,142	57	22,534	2	11,221	1	7,744	1
Other	211,178	26,805	13	5,703	3	1,025	0	465	0
Total	7,930,634	1,311,930	17	573,250	7	93,512	1	223,007	3

table 35

Source: U.S. Department of Commerce, International Trade Administration

Latin American Countries in Missouri's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
Mexico	540,362	1,311,930	142.8	2
Brazil	109,458	224,874	105.4	7
Argentina	55,589	192,052	245.5	10
Jamaica	38,143	176,301	362.2	11
Total	743,552	1,905,157	156.2	

table 36

Source: U.S. Department of Commerce, International Trade Administration

The critical influence of Latin America as an export destination for Missouri is apparent in the fact that the region captures four slots in the stateís top 20 export markets. The export data for these countries indicates that between 1993 and 2000 these exports grew by 156.2 percent. A key feature of this significant expansion is the fact that export growth to three countries in the region increased by over 300 percent for one country (Jamaica); 200 percent for one country (Argentina) and over 100 percent in the remaining two countries (Mexico and Brazil) during this eight-year period. In fact, three Latin American countries occupied slots in the stateís top 10 export destinations in 2000.

Links Fostered Between Missouri and Foreign Countries Under the 'Sister City' Program

- Para, Brazil
- Chollo Namdo, Korea
- Cajamarca, Peru
- Nagano Prefecture, Japan
- Taiwan

International Trade/Marketing Offices

- Guadalajara and Mexico City, Mexico (both since 1993)
- Sao Paulo, Brazil (since 1996)
- Monterrey, Mexico (since 2000)
- Dusseldorf, Germany
- Tokyo, Japan
- Seoul, Korea
- Taipei, Taiwan
- London, England
- Bangkok, Thailand
- Accra, Ghana
- Johannesburg, South Africa
- Jerusalem, Israel

Related Information

- On the legislative front, in the last five years, the Missouri Legislature has authorized funds to open an office in Africa and broaden the reach of the stateís trade promotion fund by permitting it to receive private funds for trade promotion activities.
- In an effort to further Missouriís economic exposure in Latin America, the state has initiated and participated in a number of high-level state and corporate missions to the region as well. Some of these missions included delegations led by the governor to Mexico, Brazil and Argentina in 1995, and another led by the governor in 1998 to Brazil, Chile and Argentina. Missouri also participated in multi-state trade missions to

Mexico City, Monterrey and Guadalajara, Mexico in 1997, 1998 and 2000. Then, in 2001, Missouriís governor led a transportation trade mission back to Mexico City and Monterrey.

- Two prominent Missouri-based companies that have an aggressive track record in seeking and expanding trade with Latin America are the Emerson Electric Company and H & J Electrical International. Both companies, and other Missouri companies, consider ìLatin America to be a prime market for Missouriís products and services, including agricultural products,î according to the stateís director of international marketing.[50] According to the director, ìthe Agriculture Department is seeking to open an office in Latin America, most probably in Argentina,î further demonstrating the stateís commitment to augmenting the stateís exports, particularly agricultural exports, to the region.

- With headquarters in St. Louis, the Emerson Electric Company has more than 60 divisions selling products in more than 150 countries. In total, the company employs 123,000 people.
- Emersonís Latin American operations are well positioned to capitalize on the regionís expected economic recovery. Corporate offices are located in Argentina, Brazil, Colombia, and Venezuela. Emersonís formidable manufacturing, sales and marketing presence in the region focuses on telecommunications, multiple process industries, equipment for the regionís oil industry and an array of engineering, consulting, monitoring, maintenance and professional services.

Source: *www.gotoemerson.com*

Export Links Between North Carolina and Latin America

North Carolina exported a staggering $4.3 billion of merchandise to Latin America in 2000, totaling 28.9 percent of the stateís total merchandise. (In 1993, these exports amounted to a sizable $1.3 billion and represented 16.2 percent of North Carolinaís total exports.) The over 234 percent growth in the percentage of North Carolinaís total exports flowing to Latin America between 1993 and 2000 remains ample evidence of the stateís desire to cultivate trade links with the region. Even as a proportion of total exports, the percentage increase in North Carolinaís exports to Latin America (from 16.2 percent to 28.9 percent) is an indication of this Latin American focus in the stateís overall trade strategy.

A number of North Carolina industries continue to rely on exports to Latin America as a generator of revenue and employment. North Carolinaís manufactures sector was a major factor in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise, nonmetallic minerals) sectors. The manufactures sector contributed to 99 percent of the stateís Latin American exports with agriculture and other commodities contributing both contributing under 1 percent together. The following industries were important in North Carolinaís exports to Latin America in 2000:

- the apparel manufactures sector, computers and electronic products sector, chemical manufactures sector and crop production sector, which in 2000 alone were responsible for $573.5 million, $260.3 million, $235.3 million and $10.3 million, respectively, of exports to **Mexico**;
- the chemical manufactures sector and computers and electronic products sector, which shipped $296.4 million and $149 million, respectively, of exports to **South America**;
- the apparel manufactures sector, fabric mill products sector and chemical manufactures sector, which accounted for $726.7 million, $134 million and $39.9 million, respectively, of exports to **Central America**; and
- the apparel manufactures sector, fabric mill products sector and computers and electronic products sector, which shipped $282.9 million, $42.8 million and $22.7 million of exports to the **Caribbean**.

Table 37 provides a breakdown of North Carolinaís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of North Carolina's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	14,402,092	2,106,605	15	699,843	5	1,040,735	7	439,037	3
Agriculture	363,096	11,258	3	615	0	111	0	886	0
Other	209,604	11,127	5	7,289	3	8,211	4	3,013	1
Total	14,974,792	2,128,990	14	707,747	5	1,049,057	7	442,936	3

table 37

Source: U.S. Department of Commerce, International Trade Administration

Latin American Countries in North Carolina's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
Mexico	365,062	2,128,991	483.2	2
Costa Rica	158,702	360,581	127.2	7
Honduras	57,790	340,666	489.5	8
Brazil	86,999	313,288	260.1	9
El Salvador	46,085	246,229	434.3	14
Dominican Republic	67,888	220,615	225.0	15
Total	782,526	3,610,370	361.4	

table 38

Source: U.S. Department of Commerce, International Trade Administration

The distinct influence of Latin America as an export destination for North Carolina is apparent in the fact that the region captures six slots in the stateís top 20 export markets. The export data for these countries indicates that between 1993 and 2000 these exports grew by an overwhelming 361.4 percent. A key feature of this sizable expansion is the fact that export growth to all six countries in the region expanded by over 400 percent in three countries (Mexico, Honduras and El Salvador), over 200 percent in two countries (Brazil and the Dominican Republic) and over 100 percent in the remaining country (Costa Rica) during this eight-year period. In fact, exports to Mexico increased by over 483 percent, and exports to Honduras increased by almost 490 percent, a clear example of the importance of the region to North Carolinaís economic performance.

Links Fostered Between North Carolina and Foreign Countries Under the 'Sister City' Program

- Cochabamba, Bolivia
- Liaoning Province, China

International Trade/Marketing Offices

- Mexico
- Canada
- Germany
- Hong Kong
- Korea
- Japan

Related Information

- In an effort to further North Carolinaís economic exposure in Latin America, in 1999, then-Governor Jim Hunt led a team of high-level state and corporate officials to Mexico, Brazil and Argentina to promote the stateís international trade capabilities.

Export Links Between Oklahoma and Latin America

Oklahoma exported $994.9 million of merchandise to Latin America in 2000, amounting to 30.6 percent of the stateís total merchandise. (In 1993, these exports totaled $525.6 million and represented 22.5 percent of Oklahomaís total exports.) Between 1993 and 2000, Oklahomaís total exports flowing to Latin America grew by a sizable 89.3 percent. In terms of the proportion of Oklahomaís total exports, there was a notable increase in the percentage of exports to Latin America (from 22.5 percent to 30.6 percent) between the two years.

A number of Oklahoma industries continue to rely on exports to Latin America as a generator of revenue and employment. Oklahomaís manufactures sector was a major factor in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise, nonmetallic minerals) sectors. The manufactures sector contributed to about 93 percent of the stateís Latin American exports (93.2 percent, precisely) with agriculture and other commodities contributing 0.3 percent and 6.5 percent, respectively. The following industries were important in Oklahomaís exports to Latin America in 2000:

- the computers and electronic products sector, petroleum and coal products sectors, chemical manufactures sector and oil and gas extraction sectors, which in 2000 alone were responsible for $99 million, $92.7 million, $74.3 million and $35.5 million, respectively, of exports to **Mexico**;
- the machinery manufactures sector and petroleum and coal products sectors, which shipped $234.2 million and $63.9 million, respectively, of exports to **South America**;
- the petroleum and coal products sectors, apparel manufactures sector and oil and gas products sectors, which accounted for $19.5 million, $18.3 million and $5.2 million, respectively, of exports to **Central America**; and
- the petroleum and coal products sectors and machinery manufactures sector, which shipped $6.1 million and $4.7 million of exports to the **Caribbean**.

Table 39 provides a breakdown of Oklahomaís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Oklahoma's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	3,076,310	437,811	14	412,871	13	56,050	2	20,911	1
Agriculture	29,457	1,639	6	839	3	174	1	66	0
Other	150,848	51,431	34	1,967	1	10,785	7	360	0
Total	3,256,615	490,881	15	415,677	13	67,009	2	21,337	1

table 39

Source: U.S. Department of Commerce, International Trade Administration

The influence of Latin America as an export destination for Oklahoma is apparent in the fact that the region captures seven slots in the stateís top 20 export markets. The export data for these countries indicates that between 1993 and 2000 these exports grew by over 113 percent. Exports to Mexico from Oklahoma, the stateís number two export market, increased by 211 percent, and exports to Venezuela increased by over 246 percent during this period.

Latin American Countries in Oklahoma's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
Mexico	157,837	490,881	211.0	2
Venezuela	43,642	151,316	246.7	4
Brazil	45,703	77,783	70.2	10
Argentina	37,514	48,384	29.0	14
Ecuador	78,023	47,038	(39.7)	16
Chile	11,276	33,420	196.4	18
Colombia	38,398	30,005	(21.9)	19
Total	412,393	878,827	113.1	

table 40

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Oklahoma and Foreign Countries Under the 'Sister City' Program

- Chihuahua, Coahuila, Colima, Jalisco, Pueblo, Sonora and Tlaxcala provinces, all in Mexico
- Gansu Province, China
- Kyoto Prefecture, Japan
- Taiwan

International Trade/Marketing Offices

- Singapore (covering the Association of South East Asian Nations, ASEAN)
- Beijing, China
- Antwerp, Belgium (covering Europe)
- Israel
- Seoul, Korea
- Taipei, Taiwan
- Hanoi, Vietnam

Related Information

- Oklahoma remains active in promoting international trade as an economic development strategy. A key component of this strategy involves maintaining trade offices in a number of foreign settings. These offices, staffed by the stateís department of commerce, assist Oklahoma companies in identifying new markets, locating potential buyers, conducting market research, helping companies facilitate business, identifying agent/distributors, assisting visiting businesses, fostering joint venture development and coordinating trade promotion events.[51]

Export Links Between South Carolina and Latin America

South Carolina exported $2.49 billion of merchandise to Latin America in 2000, equalling 31.9 percent of the stateís total merchandise. (In 1993, these exports reached $515.4 million and represented 16 percent of South Carolinaís total exports.) Between 1993 and 2000, South Carolinaís total exports to all of Latin America grew by an impressive 383.5 percent. This represented the fourth largest increase in total exports to Latin America from a SLC state during this eight-year period. In terms of the proportion of South Carolinaís total exports, there was a marked increase in the percentage of exports to Latin America (from 16 percent to 31.9 percent) between the two years.

A number of South Carolina industries continue to rely on exports to Latin America as a generator of revenue and employment. South Carolinaís manufactures sector was the major contributor in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise and nonmetallic minerals) sectors. The manufactures sector contributed to about 99.5 percent of the stateís Latin American exports, with agriculture and other commodities contributing 0.2 percent and 0.3 percent, respectively. The following industries were important in South Carolinaís exports to Latin America in 2000:

- the computers and electronic products sector, plastic and rubber products sector and electronic equipment, appliances and parts sectors, which in 2000 alone were responsible for $935.2 million, $369.2 million and $134.6 million, respectively, of exports to **Mexico**;
- the chemical manufactures sector and machinery manufactures sector, which shipped $85.7 million and $28.9 million, respectively, of exports to **South America**;
- the apparel manufactures sector and computers and electronic products sector, which accounted for $118.1 million and $28.2 million, respectively, of exports to **Central America**; and
- the apparel manufactures sector, which shipped $45.4 million of exports to the **Caribbean**.

Table 41 provides a breakdown of South Carolinaís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of South Carolina's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	7,677,968	1,957,548	25	232,788	3	208,075	3	80,956	1
Agriculture	61,708	1,319	2	1,414	2	1,423	2	1,044	2
Other	77,876	5,254	7	1,210	2	194	0	713	1
Total	7,817,552	1,964,121	25	235,412	3	209,692	3	82,713	1

table 41

Source: U.S. Department of Commerce, International Trade Administration

The obvious influence of Latin America as an export destination for South Carolina is more than apparent in the fact that the region captures four slots in the stateís top 20 export markets. The export data for these countries indicates that between 1993 and 2000 these exports grew by a monumental 560.6 percent. Exports to three countries increased in triple-digit levels, and exports to one country even increased in quadruple-digit levels; the lowest percentage increase was El Salvador

Latin American Countries in South Carolina's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
‣ Mexico	293,236	1,964,121	569.8	2
‣ Brazil	15,462	89,165	476.7	10
‣ El Salvador	20,827	86,786	316.7	13
‣ Honduras	7,001	83,041	1,086.1	15
Total	336,526	2,223,113	560.6	

table 42

Source: U.S. Department of Commerce, International Trade Administration

(316.7 percent) and the highest was Honduras (1,086.1 percent). South Carolinaís exports to Mexico, the stateís number two export market, increased by over 569 percent.

Links Fostered Between South Carolina and Foreign Countries Under the 'Sister City' Program

- Southwest Colombia
- Taiwan

International Trade/Marketing Offices

- Hong Kong
- Tokyo, Japan
- Munich, Germany

Related Information

- Among all the states in the union, South Carolina remains one of the most proactive in promoting international trade as an economic development tool. The huge number of Japanese and German corporations that have established manufacturing operations in the state is the result of South Carolinaís political and business leaders assiduously courting these companies.
- While the extensive trade-related events that the state participates in most often feature business leaders, they generally include ëmatch-makingí missions, multi-state catalog missions and trade shows that focus on the stateís economic strengths. (It should be noted that in April 2000, the stateís department of commerce did host Brazilís ambassador to the United States during his visit to South Carolina; meetings with Governor Hodges and numerous business leaders were arranged.) A number of South Carolina-based companies remain active in Latin America, and these include Capsugel, Nucor Building Systems, Mynd Chemax and International Paper. As noted by the stateís manager for international trade,

> ìWe are heavily focused on educating South Carolina companies on the many opportunities that exist in this [Latin America] region of the world. Our primary goal is to match existing sectors with the best possible prospects, which entails recruiting individual companies to participate in various department of commerce events throughout the region.î[52]

Export Links Between Tennessee and Latin America

Tennessee exported $2.56 billion of merchandise to Latin America in 2000, amounting to 22.4 percent of the stateís total merchandise. (In 1993, these exports totaled $1.1 billion and represented 17.7 percent of Tennesseeís total exports.) Exports to Latin America increased by a formidable 135.5 percent between 1993 and 2000.

A number of Tennessee industries continue to rely on exports to Latin America as a generator of revenue and employment. Tennesseeís manufactures sector (industrial machinery and computers, apparel, scientific and measuring instruments, etc.) was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise, nonmetallic minerals) sectors. The manufactures sector contributed to 86 percent of the stateís Latin American exports, with agriculture and other commodities comprising 13 percent and 1 percent, respectively. The following industries were important in Tennesseeís exports to Latin America in 2000:

- the transportation equipment sector, crop production sector and fabricated metal products sector, which in 2000 alone were responsible for $501.3 million, $186.5 million and $131.7 million, respectively, of exports to **Mexico**;
- the crop production sector, paper products sector, chemical manufactures sector and computers and electronic products sector, which shipped $114.2 million, $97.9 million, $66.3 million and $63.4 million, respectively, of exports to **South America**;
- the apparel manufactures sector, crop production sector and fabric mill products sector, which accounted for $89.1 million, $32.4 million and $20.5 million, respectively, of exports to **Central America**; and
- the apparel manufactures sector, paper prodcuts sector and crop production sector, which shipped $40.2 million, $30.4 million and $9.7 million, respectively, of exports to the **Caribbean**.

Table 43 provides a breakdown of Tennesseeís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Tennessee's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	9,975,078	1,471,831	15	396,745	4	170,217	2	149,702	2
Agriculture	1,005,223	187,498	19	115,508	11	32,956	3	11,001	1
Other	433,420	17,166	4	2,819	1	2,436	1	1,503	0
Total	11,413,721	1,676,495	15	515,072	5	205,609	2	162,206	1

table 43

Source: U.S. Department of Commerce, International Trade Administration

The influence of Latin America as an export destination for Tennessee is demonstrated in the fact that Mexico was the stateís second largest export market in 2000. Another Latin American country (Brazil) ranked in the top 20 export destinations for Tennessee in 2000. The export data for Mexico between 1993 and 2000 indicates that exports grew by almost 151 percent.

Latin American Countries in Tennessee's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
▸ Mexico	649,850	1,676,495	158.0	2
▸ Brazil	109,890	228,513	107.9	10
Total	759,740	1,905,008	150.7	

table 44

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Tennessee and Foreign Countries Under the 'Sister City' Program

- Amazonas, Brazil
- Shanxi Province, China
- Taiwan
- Venezuela

International Trade/Marketing Offices

- Yokohama, Japan
- Toronto, Canada
- Retford, England

Related Information

- Recently, state officials and business leaders participated in a mission to Nicaragua and Honduras in an effort to identify opportunities for Tennessee companies eager to share in the $2.75 billion in relief funds appropriated for infrastructure development after the devastation caused by Hurricane Mitch in these two countries.

Export Links Between Texas and Latin America

Historically, the economy of Texas has maintained close links with the economies of Latin America. Texas exported $30.7 billion of merchandise to Latin America in 2000 contributing to 44.7 percent of the stateís total merchandise. (In 1993, these exports amounted to $16 billion and represented 45 percent of Texasís total exports.) Exports to Latin America increased by a robust 91.8 percent between 1993 and 2000.

A number of Texas industries continue to rely on exports to Latin America as a generator of revenue and employment. Texasís manufactures sector (industrial machinery and computers, apparel, scientific and measuring instruments etc.) was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise, nonmetallic minerals) sectors. The manufactures sector contributed to 94 percent of the stateís Latin American exports, with agriculture and other commodities comprising 2 percent and 4 percent, respectively. This composition reflects national trends as the manufactures component of exports continue to play a more significant role in overall exports. The following industries were important in Texasís exports to Latin America in 2000:

- the computers and electronic products sectors, petroleum and coal products sectors, chemical manufactures sector and oil and gas extraction sectors, which in 2000 alone were responsible for $5.9 billion, $2.3 billion, $2.1 billion and $519.2 million, respectively, of exports to **Mexico**;
- the machinery manufactures sector, computers and electronic products sectors and oil and gas extraction sectors, which shipped $1.3 billion, $1.3 billion and $54.2 million, respectively, of exports to **South America** in 2000;
- the petroleum and coal products sectors, computers and electronic products sectors, chemical manufactures sector, oil and gas extraction sectors and crop production sector, which accounted for $330.5 million, $145.3 million, $133.8 million, $16.6 million and $13.8 million, respectively, of 2000 exports to **Central America**; and
- the petroleum an d coal products sectors, machinery manufactures sector, computers and electronic products sectors and oil and gas extraction sectors, which shipped $252.9 million, $173 million, $97.5 million and $13.8 million, respectively, of exports to the **Caribbean** in 2000.

Table 45 provides a breakdown of Texasís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Texas' Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	65,334,160	22,905,814	35	4,134,063	6	891,155	1	852,116	1
Agriculture	1,045,815	585,477	56	27,788	3	17,149	2	1,921	0
Other	2,366,363	1,131,261	48	107,514	5	25,317	1	24,064	1
Total	68,746,338	24,622,552	36	4,269,365	6	933,621	1	878,101	1

table 45

Source: U.S. Department of Commerce, International Trade Administration

The powerful influence of Latin America as an export destination for Texas is demonstrated in the fact that Mexico was the stateís largest export market in 2000. Two additional Latin American countries (Brazil and Venezuela) ranked in the top 20 export destinations for Texas in 2000. The export data for Mexico between 1993 and 2000 indicates that exports grew by almost 92 percent and amounted to an immense $24.6 billion. Furthermore, exports to Brazil and Venezuela amounted to an overpowering $1.5 billion and $982 million, respectively. Just for these three Latin American countries, exports increased by over 92 percent in the 1993 to 2000 period, a compelling reflection on the immensity of exports to the region from Texas.

Latin American Countries in Texas' Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)

Country	1993	2000	Change (%)	2000 Ranking
Mexico	12,860,799	24,622,551	91.5	1
Brazil	402,874	1,463,911	263.4	9
Venezuela	779,460	982,248	26.0	15
Total	14,043,133	27,068,710	92.8	

table 46

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Texas and Foreign Countries Under the 'Sister City' Program

- Peru
- Nuevo Leon and Guerrro State, Tamaulipas State and Veracruz State, all in Mexico
- Taiwan
- Gyeong Gi Provinice, Korea

International Trade/Marketing Offices

- Mexico City, Mexico (since 1971)
- Honorary trade representatives in four bordering Mexican states (Chihuahua, Coahuila, Nuevo Leon and Tamaulipas)

Related Information

- In November 2000, then-Lieutenant Governor Rick Perry and the head of the Texas Department of Economic Development led a trade and investment mission to Mexico. While in Mexico during, delegation members were invited to the inauguration of Mexicoís President Fox.

Export Links Between Virginia and Latin America

Virginia exported $1.4 billion of merchandise to Latin America in 2000, totaling 13.7 percent of the stateís total merchandise. (In 1993, these exports reached $834 million and represented 10.3 percent of Virginiaís total exports.) Between 1993 and 2000, Virginiaís total exports flowing to all of Latin America grew by 73.1 percent.

A number of Virginia industries continue to rely on exports to Latin America as a generator of revenue and employment. Virginiaís manufactures sector was the major contributor in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise and nonmetallic minerals) sectors. The manufactures sector contributed to about 92 percent of the stateís Latin American exports with agriculture and other commodities contributing 0.4 percent and 7.7 percent, respectively. Interestingly, Virginiaís agricultural exports to Latin America declined from 7.8 percent of total exports in 1993 to 0.4 percent in 2000. The following industries were important in Virginiaís exports to Latin America in 2000:

- the computers and electronic products sectors, electronic equipment, appliances and parts sectors and plastic and rubber products sector, which in 2000 alone was responsible for $147.8 million, $117.3 million and $98 million, respectively, of exports to **Mexico**;
- which shipped $116.1 million, $84.5 million and $78.9 million, respectively, of exports to **South America** in 2000;
- the apparel manufactures sector, chemical manufactures sector and computers and electronic products sectors, which accounted for $24 million, $11.3 million and $9.5 million, respectively, of 2000 exports to **Central America**; and
- the chemical manufactures sector and apparel manufactures sector, which shipped $11.3 million and $5.8 million, respectively, of exports to the **Caribbean** in 2000.

Table 47 provides a breakdown of Virginiaís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of Virginia's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	9,179,406	833,511	9	367,280	4	75,030	1	50,488	1
Agriculture	460,443	99	0	3,866	1	1,504	0	664	0
Other	907,283	11,831	1	95,275	11	3,277	0	1,330	0
Total	10,547,132	845,441	8	466,421	4	79,811	1	52,482	0

table 47

Source: U.S. Department of Commerce, International Trade Administration

Latin America is an important export destination for Virginia and captures two slots in the stateís top 20 export markets. The export data for these two countries indicates that between 1993 and 2000 these exports grew by almost 168 percent. Not only did Mexico secure the second slot in Virginiaís export destinations, the more than 179 percent growth rate in exports to Mexico helped bolster overall exports to the region. Growth in trade with Brazil was impressive too: 138 percent between 1993 and 2000.

Virginia

Latin American Countries in Virginia's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
▸ Mexico	302,306	845,442	179.7	2
▸ Brazil	118,767	282,625	138.0	8
Total	421,073	1,128,067	167.9	

table 48

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between Virginia and Foreign Countries Under the 'Sister City' Program

- Santa Catarina, Brazil
- Taiwan

International Trade/Marketing Offices

- Sao Paolo, Brazil
- Hong Kong
- Mexico City, Mexico
- Frankfurt, Germany
- Tokyo, Japan
- Seoul, Korea

Related Information

- Several Virginia-based companies remain active in Latin America, notably PSINet of Ashland, Virginia.
- Governor Jim Gilmore led a delegation of government and business officials to Brazil, Chile and Argentina in April 1999, which also included the opening of Virginiaís Sao Paulo office.

Export Links Between West Virginia and Latin America

West Virginia exported $323.5 million of merchandise to Latin America in 2000, and these exports amounted to 22 percent of the stateís total merchandise. (In 1993, these exports totaled $66.2 million and represented 8.8 percent of West Virginiaís total exports.) Between 1993 and 2000, West Virginiaís total exports flowing to all of Latin America grew by 388 percent, the third largest increase among the SLC states. As evident in the above-mentioned percentage breakdown, the relative importance of Latin America as an export market for West Virginia increased substantially (from 8.8 percent to 22 percent) between 1993 and 2000.

A number of West Virginia industries continue to rely on exports to Latin America as a generator of revenue and employment. West Virginiaís manufactures sector (industrial machinery and computers, apparel, scientific and measuring instruments, etc.) was critical in exports to Latin America compared to exports from the agriculture (including livestock) and other commodities (such as used merchandise and nonmetallic minerals) sectors. The manufactures sector contributed to 91 percent of the stateís Latin American exports, with agriculture and other commodities comprising 0.5 percent and 8.9 percent, respectively. This composition reflects national trends as the manufactures component of exports continue to play a more significant role in overall exports. The following sectors were important in West Virginiaís exports to Latin America in 2000:

- the petroleum and coal products sector and chemical manufactures sector, which in 2000 alone was responsible for $196.2 million and $22.9 million, respectively, of exports to **Mexico**;
- the chemical manufactures sector, which shipped $25.8 million of exports to **South America** in 2000;
- the chemical manufactures sector, which accounted for $758,000 of 2000 exports to **Central America**; and
- the fabricated metal products sector and crop production sector, which shipped $716,000 and $437,000, respectively, of exports to the **Caribbean** in 2000.

Table 49 provides a breakdown of West Virginiaís exports to the four areas within Latin America in 2000 and their percentage of total exports.

Composition of West Virginia's Exports to Latin America 2000 (Thousands of Dollars)

Product	World	Mexico		South America		Central America		Caribbean	
		Value	%	Value	%	Value	%	Value	%
Manufactures	1,310,291	250,041	19	38,759	3	1,912	0	2,302	0
Agriculture	8,974	80	1	1,238	14	0	0	437	5
Other	152,402	1,015	1	27,594	18	124	0	42	0
Total	1,471,667	251,136	17	67,591	5	2,036	0	2,781	0

table 49

Source: U.S. Department of Commerce, International Trade Administration

Latin America remains an important export destination for West Virginia and secures two slots in the stateís top 20 export markets. The export data for these two countries indicate that between 1993 and 2000 these exports grew by a convincing 957 percent, mainly because of the tremendous growth experienced in West Virginiaís exports to Mexico. In fact, Mexico secured the second slot in West Virginiaís export destinations, with exports to Mexico expanding by over 1,097 percent between 1993 and 2000.

Latin American Countries in West Virginia's Top 20 Export Destinations 1993 to 2000 (Thousands of Dollars)				
Country	1993	2000	Change (%)	2000 Ranking
‣ Mexico	20,972	251,136	1,097.5	2
‣ Brazil	7,690	51,851	574.3	7
Total	28,662	302,987	957.1	

table 50

Source: U.S. Department of Commerce, International Trade Administration

Links Fostered Between West Virginia and Foreign Countries Under the 'Sister City' Program

- Espirito Santo, Brazil
- Taiwan

International Trade/Marketing Offices

- Nagoya, Japan
- Taipei, Taiwan
- Munich, Germany

Related Information

- Until 1995, the state sponsored only one or two trade missions each year, primarily focusing on Japan. However, since the West Virginia Export Initiative was formed in 1995 (with the assistance of the U.S. Department of Commerce), small and medium-sized operations scattered throughout the state have been introduced to exporting opportunities mostly in emerging markets. Consequently, West Virginia state officials and business leaders have embarked on a number of missions to such destinations in Latin America as Guadalajara, Mexico; Rio de Janeiro, Brazil; Lima, Peru; Santiago, Chile, and such places as Sydney and Perth, Australia; Johannesburg, South Africa; Prague, Czech Republic; Posnan, Poland; Genoa, Italy; Japan; Taiwan; Hong Kong; Germany; Toronto, Canada; and New Delhi and Calcutta, India.
- In terms of the West Virginia-based companies traveling to the different Latin American settings mentioned, the items marketed included woodwork and furniture, mining equipment and industrial supplies.

Conclusion

During the 1970s and for part of the 1980s, the U.S. economy was certainly not the envy of the world and not held up as the model that other industrialized countries should attempt to emulate. High rates of unemployment, double-digit inflation, stagnant growth rates and crippling federal budget deficits held sway across the country. This bleak economic scenario underwent radical reforms beginning in the early 1990s when the U.S. economy made a dramatic comeback and re-emerged as the engine that propels the global economy forward. Not only did the U.S. economy experience unparalleled expansion in the last decadeówhen compared to any other period in the nationís historyóthis expansion served to stave off a massive global recession when almost every part of the globe (from East Asia to Latin America to Russia) was enmeshed in an economic free-fall in the late 1990s. Contributing to this superior and sustained economic performance was sound monetary and fiscal policy coupled with the nimble restructuring and reallocation of resources by firms across businesses, industries and other sectors. Despite the recent signs of sluggishness in many sectors of the economy, there is continued optimism that the economyís fundamentals are on firm ground and that the economy will continue expanding this year and in the near-term future.

A major contributory factor toward the superior performance displayed by the U.S. economy in the last decade or so has been the role played by international trade. As indicated by the U.S. Trade Representativeís Office, U.S. trade (the export and import of goods and services, and the receipt and payment of earnings on foreign investment) has appreciated 25-fold since 1970 and nearly 120 percent since 1990. In fact, in 2000, the value of U.S. trade reached a staggering $3.4 trillion.[53] Even in terms of the proportion of international trade in the nationís GDP, the boom has been most potent: the ratio leapt from 14 percent in 1980 to about 29 percent in 1998[54] to a record 33.7 percent in 2000.[55] In addition, the contribution of exports to the formidable U.S. growth since 1989, 20 percent, has been twice as large as their 10 percent contribution to the level of U.S. national income.[56] All these facets help establish the increasingly valuable role played by international trade in both stimulating and sustaining economic expansion across the country.

In probing the importance of international trade to the different U.S. state economies, exports to Latin America remain a critical component. In fact, U.S. exports to Latin America (which includes Mexico, the Caribbean, Central America and South America)óas a percentage of total exportsóclimbed from about 17 percent of total exports in 1993 to 19 percent in 1997 to almost 22 percent in 2000, a stellar reflection of the significant importance of the region to overall U.S. trade policy. In addition, a review of the top 50 U.S. trading partners quickly reveals the mushrooming importance of Latin America as a trade region. Not only were 12 Latin American countries ranked among the top 50 U.S. trading partners, total trade with these 12 countries has been steadily increasing. Trade with these 12 countries amounted to 13 percent of total U.S. trade in 1991, over 14 percent in 1995 and almost 19 percent in 2000. Similarly, total U.S. trade with these 12 countries expanded by over 218 percent during the period 1991 to 2000, an annual average of approximately 22 percent.

Even in terms of the SLC states, the gains were formidable. While the SLC states cumulatively exported $67.8 billion in exports to the Latin American region in 2000, they exported $41 billion to Mexico, $14.9 billion to South America and $5.9 billion each to Central America and the Caribbean. Furthermore, not only did the value of exports for the SLC region as a whole increase by a striking 105.4 percent between 1993 and 2000, they increased in every single state. While certain SLC states displayed higher export growth rates than others, cumulatively, the SLC states achieved a formidable 254.9 percent increase during the review period. Another indication of the accelerating importance of the Latin American region to the SLC state economies lies in a review of exports to the region relative to other regions of the world. In this instance, while in 1993 exports to Latin America from the SLC states constituted almost 32 percent of total exports (31.9 percent), in 2000, this amount escalated to nearly 36 percent of total exports (35.8 percent). Not only did the relative importance of exports to Latin America between 1993 and 2000 rise in the SLC states, it ranked significantly higher than the level for the United States as a whole, which was 22 percent in 2000.

As the report documents, the record of a number of SLC states in exporting a substantial amount of exports (in terms of both value and quantity) to Latin America remains noteworthy. As also established in the report, these numbers have been increasing steadily in the last few years as the SLC states continue to rely more and more on the enormous potential of exports to create jobs, spur innovation, generate income and raise living standards for their citizens. In this connection, the record of Florida, Georgia, North Carolina and Texas in exporting goods and services to Latin America deserves special mention. Specifically, Florida exports to Latin America amounted to an imposing $13.3 billion (including $2 billion in exports just to Brazil) while Georgia and North Carolina exports to the region comprised $3.8 billion and $4.3 billion respectively. Texas exports to Latin America totaled an impressive $30.7 billion, including $24.6 billion to Mexico and $1.5 billion to Brazil.

Notwithstanding the formidable gains demonstrated by the increasing linkages between the economies of the world, certain segments of society have experienced serious displacement as a result of this growing reliance on globalization. In fact, opponents of globalization span the political spectrum and have made their presence felt most vociferously, and sometimes violently, in a number of global settings, and continue to do so even to this day. Yet, as the report demonstrates in its early sections, a trade environment that permits the relatively unimpeded flow of goods and services between countries offers, in the long-term, substantial economic advantages to the economies concerned. In the short-term, even though certain sectors of the economy inevitably suffer, if the government facilitates educational reforms and offers technical training and re-training programs, the potential for sustained and systemic economic growth is considerably enhanced. Regardless of oneís stance on the issue, globalization is a vital element in the economic affairs of the entire world, and it is impossible for any part of this global economy to insulate itself and still expect to continuously raise the living standard of its populace. The SLC states are abundantly aware of this emerging trend and have made forging trade alliances with Latin America an important part of their overall economic strategy.

Policymakers in the SLC states are an essential variable in the complex equation of international trade since they play the pivotal role in creating the required environment. Using the power of appropriating and legislating, SLC policymakers set the stage for a stateís particular international trade strategy including extending tax incentives for foreign investment in the state, facilitating the required infrastructure needs to attract, maintain and retain this investment, leading and participating in trade delegations and missions to promote a stateís exports, providing technical assistance to enhance the export potential of entrepreneurs within the state and a host of related goals. In this connection, a number of SLC state policymakers remain in the forefront in moving aggressively to take advantage of globalization and the interconnected global economy. These policymakers realize that by promoting their stateís international trade potential, they will have access to profitable and unexplored markets overseas; similarly, these policymakers realize that by attracting foreign investment, they can stake claim to fresh injections of capital. Furthermore, engaging in technical cooperation with other countries enhances relations and goodwill that may eventually be transformed into greater economic opportunities for local businesses. All these forces have coalesced to foster the importance of promoting international trade in the SLC states with trade with Latin America emerging as a vital element in overall economic strategy.

Appendix A

Southern Legislative Conference Survey for Special Series Report on Latin America

To: Sujit CanagaRetna, SLC
404/266-1273 (fax)

Fr: ______________________________ (Name)
______________________________ (Title)
________________(State); ____________(Phone)

1. Does your stateís International Trade/Marketing department maintain an office in any Latin American (South, Central, Caribbean) country? If so, which country/countries and when were these offices established?

____
____
____

2. Where else in the world does your state maintain an international trade/marketing office?

____
____
____

3. In the last five years, has your state enacted legislation designed to specifically foster your stateís international trade potential? If so, could you please summarize the major components of this legislation and provide the names of the billís sponsors?

____
____
____
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4. Have there been any high-profile trade/investment delegations from your state to any destinations in Latin America in the last five years? If so, please describe these missions briefly.

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5. Which major corporation, either with its headquarters in your state or with a major presence in your state, would you suggest has the most pro-active strategy towards expanding its Latin American operations?

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6. Any other comments regarding your stateís trade relations with Latin America?

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Appendix B

Respondents to SLC Survey on International Trade

AlabamaóHilda Lockhart, Acting Director, International Trade Division, 334/242-0442

ArkansasóElizabeth Evans, Trade Specialist, International Marketing Division, 501/682-5196

FloridaóGreg J. Moore, International Marketing Specialist, Enterprise Florida, 407/422-7159

GeorgiaóCarlos Martel, Deputy Commissioner, GDITT, International Trade, 404/656-2680

KentuckyóMary Beth Warner, Deputy Commissioner, Cabinet for Economic Development, 502/564-7140

LouisianaóLawrence B. Collins, Director, International Trade Division, 225/342-4320

MarylandóLinda Cassard, Manager, Office of International Business, 410/767-0691

MississippióLiz Cleveland, Deputy Director, International Division, Mississippi Development Authority, 601/359-6672

MissourióAngie Kinworthy, Director, Office of International Marketing, 573/751-4855

North CarolinaóLarry Williams, Director of Operations, International Trade, 919/715-5771

OklahomaóNo response

South CarolinaóAmy Thomson, International Trade Manager, Department of Commerce, 803/737-0488

TennesseeóRay Dickerson, Director of Research, Department of Economic and Community Development, 615/532-1912

TexasóHelena Colyandro, Director, Office of International Business, Department of Economic Development, 512/936-0250

VirginiaóJill Lawrence, Communications Manager, Economic Development Partnership, 804/371-0049

West VirginiaóLeslie Wrenn Drake, Manager, International Trade, Development Office, 304/558-2234

Endnotes

[1]ì12 Myths of International Trade,î U.S. Senate, Joint Economic Committee, *www.senate.gov/~jec/trade2.html*.

[2]ìU.S. Trade in 2000,î Office of the United States Trade Representative, *www.ustr.gov*.

[3]Richardson, J. David, ìExports MatterÖ And So Does Trade Finance,î in *The Ex-Im Bank in the 21st Century: A New Approach?*, eds. Gary Clyde Hufbauer and Rita M. Rodriguez, Washington DC: Institute for International Economics, 2001.

[4]Greenspan, Alan. Testimony on ìTrade Policyî before the U.S. Senate Committee on Finance, April 4, 2001.

[5]ìU.S. Trade in 2000,î Office of the United States Trade Representative, *www.ustr.gov*.

[6]Burtless, Gary et al, *Globaphobia*, The Brookings Institute, Washington, D.C., 1998.

[7]ìThe Case for Open Trade,î The World Trade Organization, *www.wto.org*.

[8]This report will use the terms ìglobalismî and ìglobalizationî interchangeably.

[9]Friedman, Thomas. *The Lexus and the Olive Tree*, 1999.

[10]Zakaria, Fareed. ìA War the IMF Won,î *The Washington Post*, March 13, 2001.

[11]The 16 states in The Council of State Governmentsí Southern office, the Southern Legislative Conference, comprise Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

[12]The ensuing paragraph draws from ìMeasuring Globalization,î *Foreign Policy: The Magazine of Global Politics, Economics and Ideas*, January/February 2001, *www.foreignpolicy.com/issue_janfeb2001/atkearney. html.*

[13]Greenspan, Alan. Testimony on ìTrade Policyî before the U.S. Senate Committee on Finance, April 4, 2001.

[14]*www.politics.com/parties.htm*.

[15]Some of the measures that generated heated response from these disparate political players and organizations included the 1994 North American Free Trade Agreement (NAFTA), the 1997 Fast Track Authority to the President, the U.S.-China Trade Agreement signed in 1999 and the subsequent Permanent Normal Trading Relations (PNTR) status with China and the 1999 World Trade Organization (WTO) meetings in Seattle.

[16]This short section on the economic rationale of globalization drew on *ìGlobalization and its Implications: The Size and Location of Manufacturing Sector Export Firms in South Carolina,î* by Professor William A. Ward, Clemson University, November 15, 2000. As Professor Ward notes, globalization ìinvolves the interface between the high theory of the most arcane area of technical economicsógeneral equilibrium theoryówith the real world of growth and development. In practice, it boils down to an issue of coming closer to achieving ìcompleteî markets for all kinds of contingent and other claims on resources. By liberalizing existing markets, and by connecting more of these markets together, one can presumably come closer to achieving the ìgeneral equilibrium of a competitive economy with complete markets that underlay the Arrow-Debreu model.î

[17]This section draws on ìThe Case for Open Tradeî and *Globaphobia*.

[18]ìThe Case for Open Trade.î

[19]ìA Way of Life Comes to an End as Alabama Mill Closes,î *The New York Times*, May 16, 2001.

[20]ìThe New Economy at Work in Traditional Southern Industries,î *EconSouth*, Federal Reserve Bank of Atlanta, First Quarter 2000.

[21]ìThe Case for Open Trade.î

[22] ìThe Case for Open Tradeî and *Globaphobia*.

[23]Conway, Carol. ìInternational Commerce: the Foundation of Southern Growth in the Next Century,î *Southern Growth*, Spring 1997.

[24]ìOverview and the 2001 Agenda,î Office of the United States Trade Representative, *www.ustr.gov*.

[25]*ìU.S. Jobs from Exports,î* Office of Trade & Economic Analysis, U.S. Department of Commerce, February 2001.

[26]Greenspan, Alan. Remarks made by the Chairman on globalization at the Bank of Mexicoís 75th Anniversary Conference, Mexico City, November 14, 2000.

[27]*ibid*.

[28]ìU.S. Trade in 2000,î Office of the United States Trade Representative, *www.ustr.gov*.

[29]*ibid*.

[30]ìIDB in Forefront of Development Effort for Latin America and Caribbean,î Inter-American Development Bank (IDB), Press Release, March 19, 2001, *www.iadb.org*.

[31]ìWorld Economic Outlook: Prospects and Policy Challenges,î International Monetary Fund (IMF), May 2001, *www.imf.org*.

[32]ìMexico: Country Risk Rating,î The Economic Intelligence Unit, *www.viewswire.com*.

[33]ìNAFTA Called Good Deal Overall,î *The Mississippi Clarion-Ledger*, June 18, 2001.

[34]*ibid*.

[35]ìA Letter to the President and a Memorandum on U.S. Policy Toward Brazil,î The Council on Foreign Relations, *www.foreignrelations.org*. This section on recent trends in Brazil and the importance of American and Brazilian officials working together on a number of vital matters draws on the above publication which is final report of an Independent Task Force on Brazil sponsored by the Council on Foreign Relations.

[36]ìBrazil: Country Risk Rating,î The Economic Intelligence Unit, *www.viewswire.com*.

[37]ìArgentina: Country Risk Rating,î The Economic Intelligence Unit, *www.viewswire.com*.

[38]McQuerry, Elizabeth, Dr., ìChanges to the Economic Outlook for Latin America.î Presentation at the Summit of the Americas, Emory University, April 3, 2001.

[39]ìIDB in Forefront of Development Effort for Latin America and Caribbean,î Inter-American Development Bank (IDB), Press Release, March 19, 2001, *www.iadb.org*. Information related to Latin America in this particular section is extracted from this source.

[40]ìWorld Economic Outlook: Prospects and Policy Challenges,î International Monetary Fund (IMF), May 2001, *www.imf.org*.

[41]The information in this paragraph was extracted from Fischer, Stanley, ìLatin America 2000,î October 12, 2000, *www.imf.org*.

[42]*ibid*.

[43]Since trade statistics for Mexico are listed as part of U.S. trade in NAFTA (Canada and Mexico), exports to Mexico are identified separately from the remaining three regions in Latin America. In terms of these three regions, they include the following countries:

- **South America**: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela.
- **Central America**: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.
- **Caribbean**: Bahamas, Barbados, Belize, Cayman Islands, Dominican Republic, Guyana, Haiti, Jamaica, Leeward and Windward Islands (i.e., Antigua, British Virgin Islands, Dominica, Grenada, Montserrat, St. Christopher-Nevis and Anguilla, St. Lucia, and St. Vincent), Netherlands Antilles and Aruba, Suriname, Trinidad and Tobago, and Turks and Caicos Islands.

[44]Remarks by the President to the Council of Americas, May 7, 2001, *www.whitehouse. gov*.

[45]ìMexican-American Population Surged in ë90s,î The Raleigh, North Carolina *News & Observer*, May 10, 2001.

[46]ìAn Assessment of Statesí International Capacity,î The Council of State Governments, January 2000, C-1. It should be noted that in addition to the sister-city partnerships with the individual SLC states and foreign locales, a number of cities in the SLC states have their own sister-city relationships with different foreign states and cities across the world.

[47]Quote extracted from the response of Mr. Carlos Martel, Deputy Commissioner for International Trade, GDITT, to the SLC survey.

[48]Quote extracted from the response of Ms. Mary Beth Warner, Deputy Commissioner for International Trade, Kentucky Cabinet for Economic Development, to the SLC survey.

[49]Quote extracted from the response of Ms. Liz Cleveland, Deputy Director for International Trade, Mississippi Development Authority, to the SLC survey.

[50]Quote extracted from the response of Ms. Angie Kinworthy, Director, Office of International Marketing, State of Missouri, to the SLC survey.

[51]*www.odoc.state.ok.us*.

[52]Quote extracted from the response of Ms. Amy Thompson, International Trade Manager, Latin America, South Carolina Department of Commerce, to the SLC survey.

[53]*www.ustr.gov*.

[54]ì12 Myths of International Trade,î U.S. Senate, Joint Economic Committee, *www.senate.gov/~jec/trade2.html*.

[55]ìU.S. Trade in 2000,î Office of the United States Trade Representative, *www.ustr.gov*.

[56]Richardson, J. David, ìExports MatterÖ And So Does Trade Finance,î in *The Ex-Im Bank in the 21st Century: A New Approach?*, eds. Gary Clyde Hufbauer and Rita M. Rodriguez, Washington DC: Institute for International Economics, 2001.