

2019 NACo LEGISLATIVE CONFERENCE

MARCH 2-6, 2019



STRONGER COUNTIES. STRONGER AMERICA.

 @NACoTWEETS #NACoLEG

International Economic Development Task Force Meeting

Sunday, March 3, 2019
1:00PM – 2:30PM





SelectUSA
U.S. Department of Commerce | International Trade Administration

SelectUSA is the only U.S. federal-level program dedicated to facilitating and promoting high impact foreign direct investment (FDI) in the United States. FDI contributes to U.S. competitiveness by driving economic growth, job creation, innovation, and exports – **which advances the overarching goal of free, fair and reciprocal trade.**

SelectUSA began as the ***Invest in America*** initiative in 2007 under the Bush Administration; and the program was furthered by Executive Order 13577 in 2011 to solidify the current authorities, mission and tools to attract and retain FDI.

SelectUSA serves investors and companies with existing operations in the U.S. or planning to enter the U.S. market; and economic development organizations (EDOs) at the state, regional, local levels.

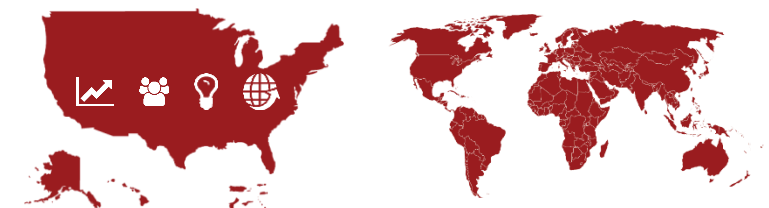
Historically and until December 14, 2018, SelectUSA focused its efforts on attracting exclusively foreign direct investment. The same **EO 13577** provide for facilitation of **domestic business investment activities** tied to economic development. The scope of this new work is to offer traditional **SelectUSA services to U.S. firms** that might be contemplating expansion domestically/internationally or returning to the United States.

SelectUSA has assisted thousands of clients, including EDOs, domestic firms, and international companies, facilitating over **\$47.8 billion** in *client-verified* investment, creating and/or retaining **tens of thousands of U.S. jobs** across the United States.

FY 2018 numbers:

SelectUSA assisted more than 6,800 clients from 53 U.S. states and territories and 91 global markets.

These clients announced 449 greenfield investment projects in 49 U.S. states and territories, which was 27.3% of all announced greenfield projects in the United States.



Services

- **Counseling, customized research, and data reports** to help firms inform their decisions
- Assistance to firms in **understanding and navigating the federal regulations** affecting their industry and their specific business plans
- **Connections between firms and local leaders and EDOs** that can provide on-the-ground assistance to the firm
- High-level **US government advocacy** services
- **Global platforms** for promoting the United States as the premier investment destination



Expansions

- Though businesses have access to USG federal resources and information, **both U.S. and foreign firms often don't know how to leverage appropriate services and programs** to help them invest, re-invest, or expand in the United States.
- By including expansion, reshoring, and retention activity, SelectUSA can **support the creation of more quality jobs**.
- According to *fDi Markets*, investment projects that are **expansions supported an average 118 jobs** while new investment projects only supported an average 84 jobs.
- Dedicating resources to attracting both **new and additional existing investment builds a robust pipeline to fuel positive economic growth**.

U.S. Firms Case Example

Background

For over 180 years, a specialty engineered materials company has served customers and partners around the globe and manufactures products in the U.S., China, Japan, Korea, Germany. Today, *COMPANY A* is composed of three business segments: Connectivity Solutions, Material Solutions and Power Solutions.

Decision

In 2016, *COMPANY A* announced that it would move its headquarters from the NE to SW. The company has **purchased an additional facility along a tech corridor** that is expected to create 100 new jobs. The company plans to start upgrading the facilities and equipment immediately, to have the site ready for commercial production in 2019. *Company A* currently employs 500 people at its locations. The new operation will produce components and systems for its Connectivity Solutions business segment, which is projecting significant growth in key markets that include 5G and Advanced Driver Assistance Systems.

SelectUSA Impact

Company A considered China and Malaysia (one of which had existing operations) or staying home in its current US location. **Local EDO requested from SUSA comparisons of costs in all three to bolster its argument that the company should expand at home and not abroad.** SelectUSA counseling and services occurred in July 2018.

Investment Advisory Council



- Advises Secretary on government policies and programs that affect businesses engaging in FDI, the expansion of domestic operations, or the transferring of operations to the U.S. from overseas
- Increasing to **40 members** to **include U.S.-majority owned companies**
- Two-year term (April 2018 - April 2020)
- Awaiting final clearances and will post in Federal Register Notice imminently

Investment Summit



PARTICIPANTS



More than

★ **3,000** ★

Total Attendees

350+

Service Providers

300+

U.S. Government Officials

★ **250+** ★

Speakers, Media, and Staff

PARTICIPANTS ALSO INCLUDE:

Over
1,200
International Registrants

From
66
Markets

THE TOP 10 MARKETS REPRESENTED



More than

700 EDO Representatives

From
51
U.S. States and Territories

Including
47
Official State EDO Exhibitors

USG PAVILION

23

U.S. Government Programs and Agencies



GLOBAL CITIES INITIATIVE

A JOINT PROJECT OF BROOKINGS AND JPMORGAN CHASE

WHY TRADE MATTERS FOR U.S. COUNTIES

MAX BOUCHET | MAREK GOOTMAN

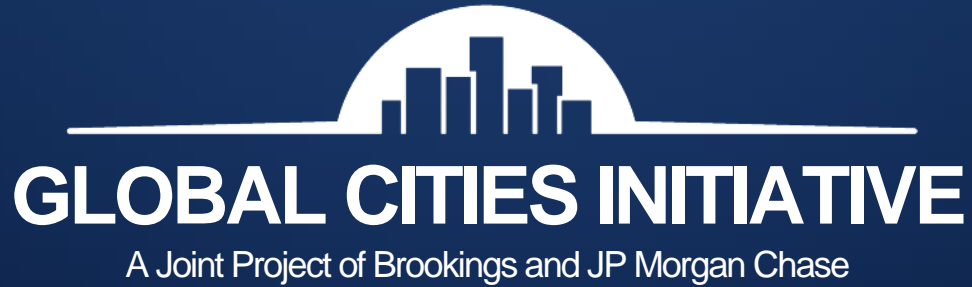
BROOKINGS INSTITUTION

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@MaxDAVIDBOUCHET

@MAREKGOOTMAN



Strengthen the international economic connections and competitiveness of metropolitan areas, resulting in more sustained growth and higher-quality jobs.

Research

Innovate

Exchange

THE GLOBAL CITIES INITIATIVE NETWORK EXTENDS TO OVER 40 U.S./INT'L CITIES



Atlanta
Baltimore
Charleston
Chicago
Columbus
Des Moines
Fresno
Greenville-Spartanburg
(Upstate SC)
Houston
Indianapolis
Jacksonville
Kansas City
Los Angeles
Louisville-Lexington
Milwaukee
Minneapolis-St. Paul
Philadelphia
Phoenix
Portland
Richmond
Sacramento
Salt Lake
San Antonio
San Diego
Seattle
St. Louis
Syracuse
Tampa Bay
Washington, DC
Wichita
Youngstown-Erie
(OH-PA Stateline)

INTERNATIONAL

Auckland
Barcelona
Canadian GCC
Johannesburg
London
Mexico City
Paris
Santiago
Stockholm
Tel Aviv
Tijuana
Toronto

DRIVERS OF ECONOMIC COMPETITIVENESS

TRADED SECTORS



Advanced Industries

Exports

Foreign Direct
Investment

INNOVATION



Patents

Scientific Research

Venture Capital

R&D

TALENT



Working-age Population

Educational Attainment

Foreign Talent

STEM Workforce

INFRASTRUCTURE



Digital Connectivity

Land Use

Freight

Global Aviation
Connectivity

GOVERNANCE



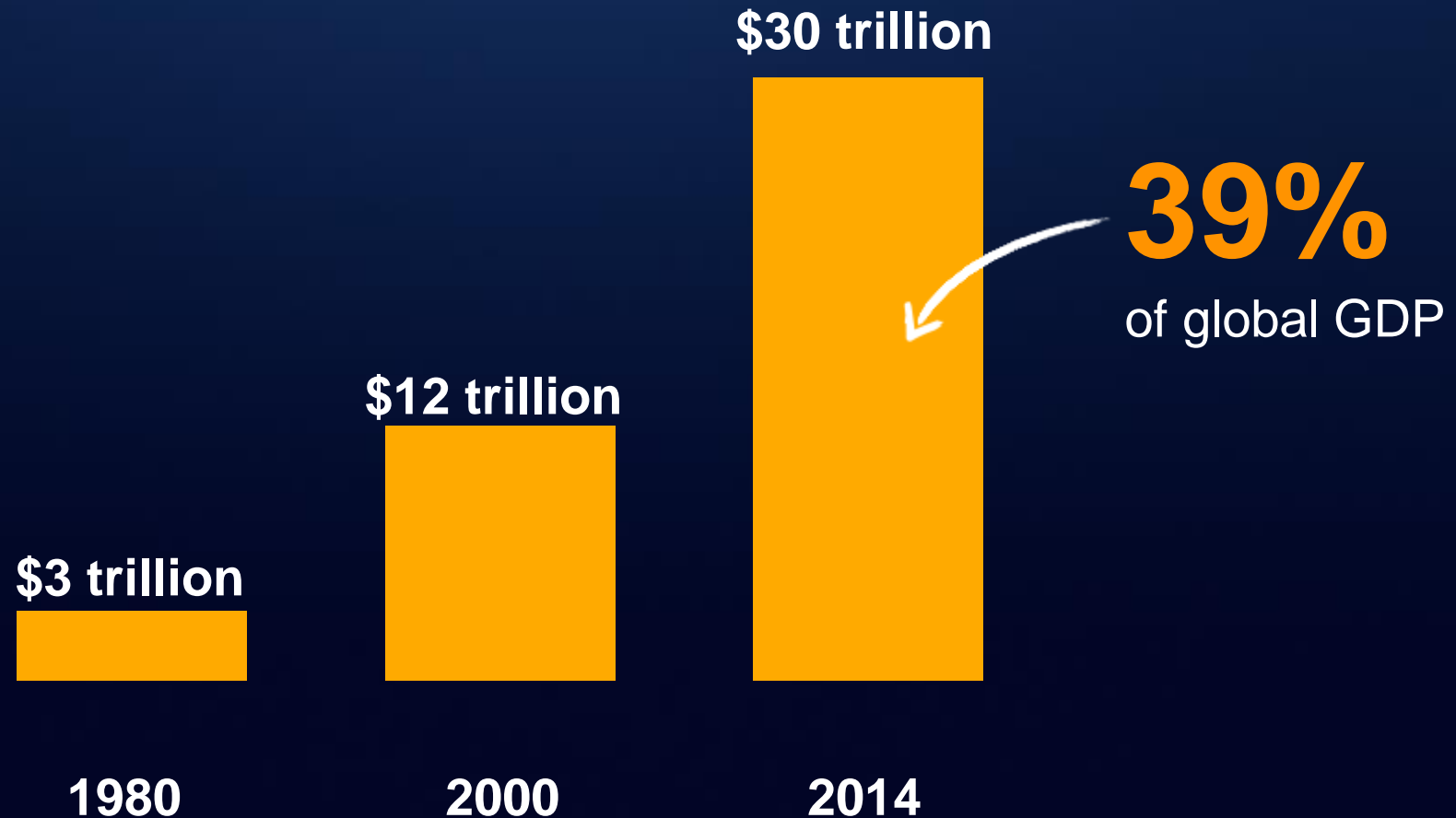
Efficiency

Fragmentation

Business Environment

Private Sector Role

Cross-Border Flows of Goods, Services, Capital

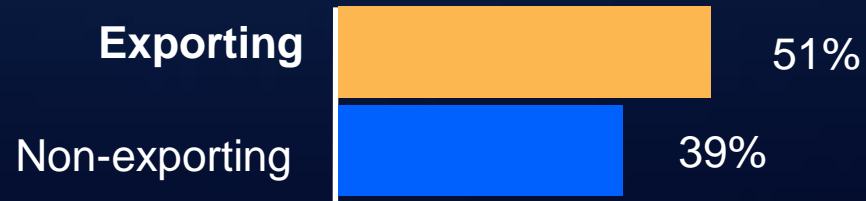


GOING GLOBAL BENEFITS MIDDLE-MARKET FIRMS

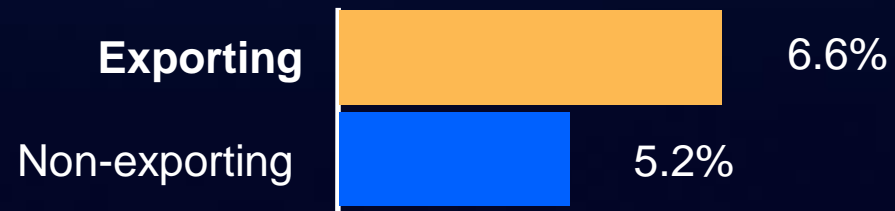
Companies reporting
revenue increases



Companies that
added employees



Companies projected revenue
growth following year

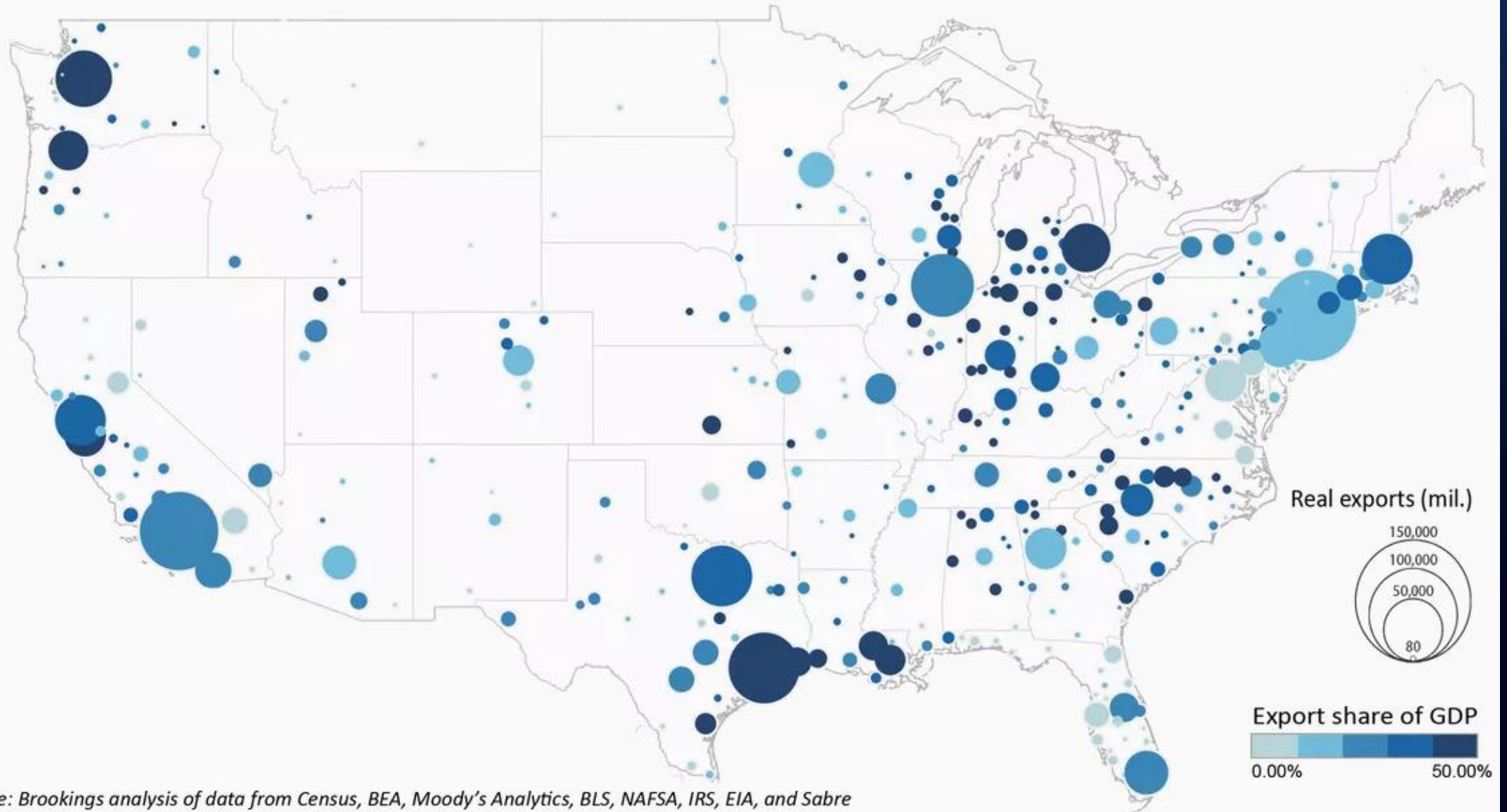


Source: Brookings, National Association for the Middle Market, "Accelerating Exports in the Middle Market," 2014

The Middle Market is defined as companies with annual revenues between \$10 million and \$1 billion

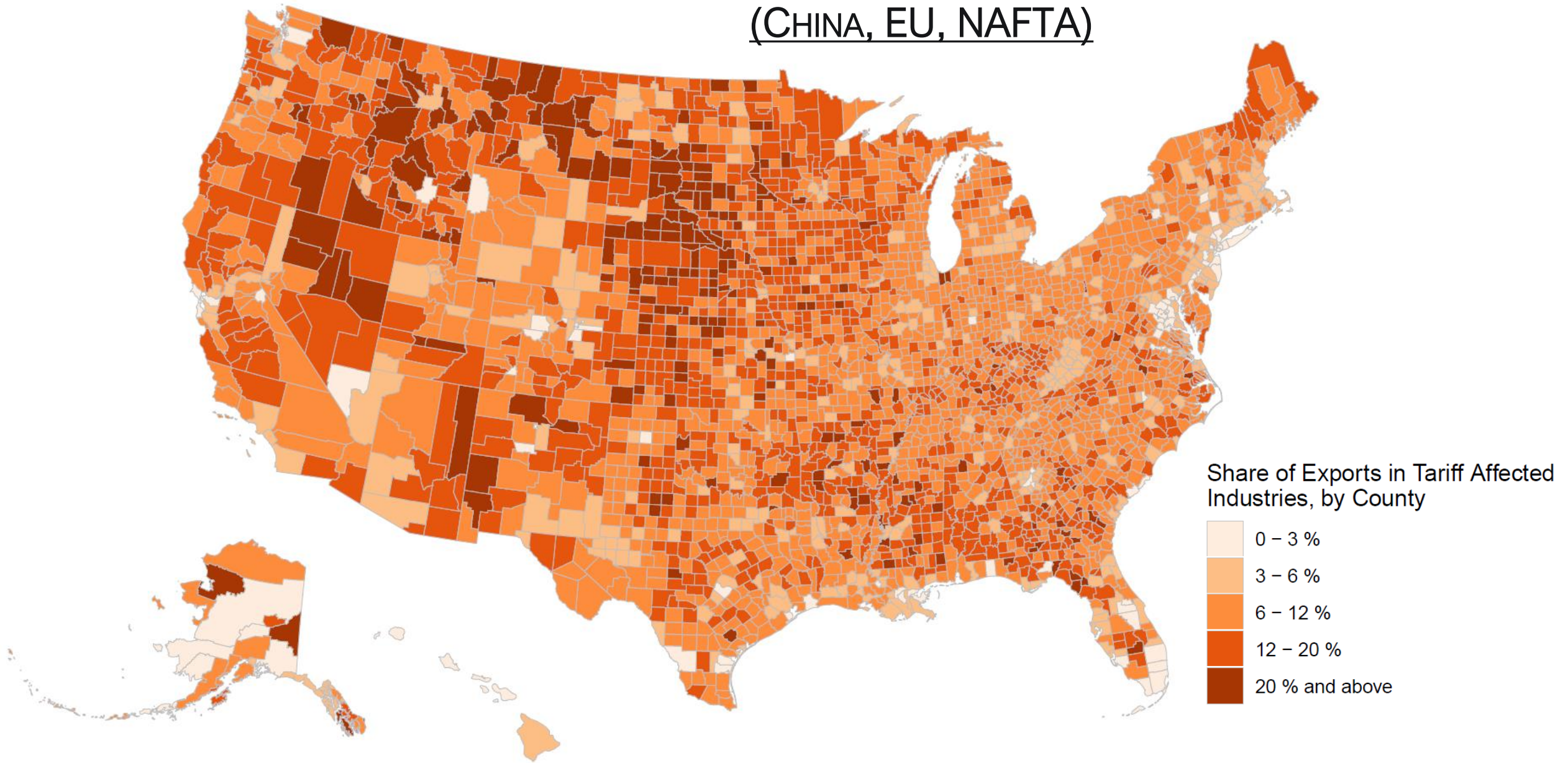
U.S. COMMUNITIES HAVE DIFFERENT LEVELS OF EXPOSURE TO TRADE

Export volume and intensity of U.S. metropolitan areas, 2015



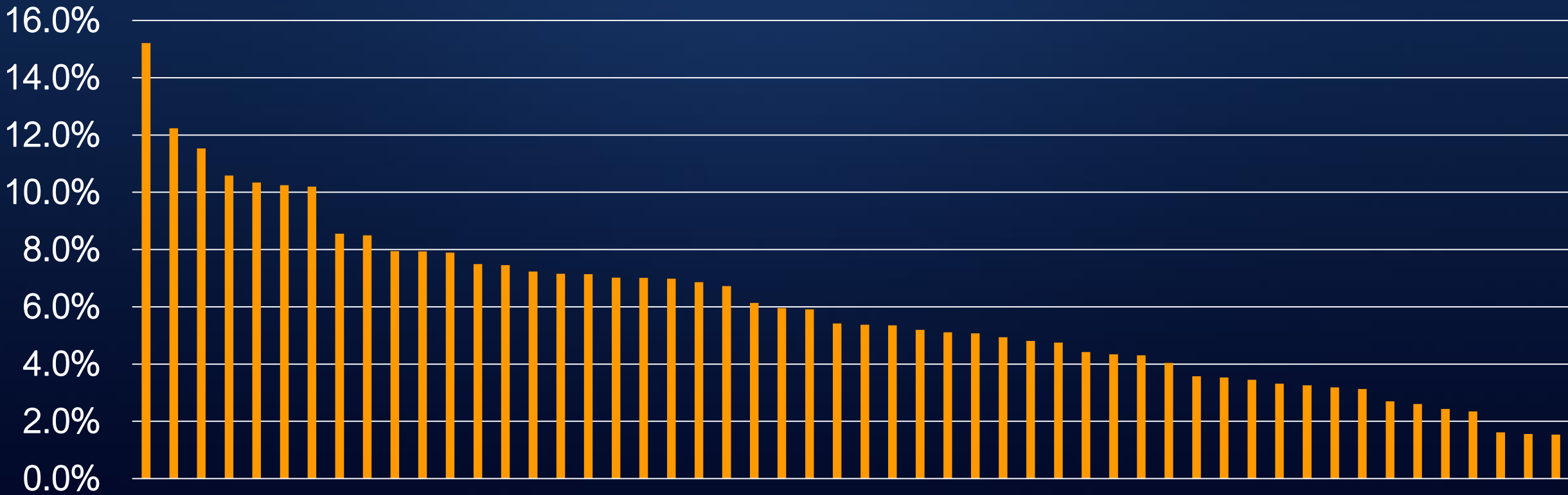
Source: Brookings analysis of data from Census, BEA, Moody's Analytics, BLS, NAFSA, IRS, EIA, and Sabre

EXPOSURE OF U.S. COUNTIES TO RETALIATORY TARIFFS FROM TRADE PARTNERS (CHINA, EU, NAFTA)



Source: Brookings, *Which US communities are most affected by Chinese, EU, and NAFTA retaliatory tariffs?*, October, 2018

SHARE OF COUNTY EXPORTS EXPOSED TO RETALIATORY TARIFFS IN COUNTIES



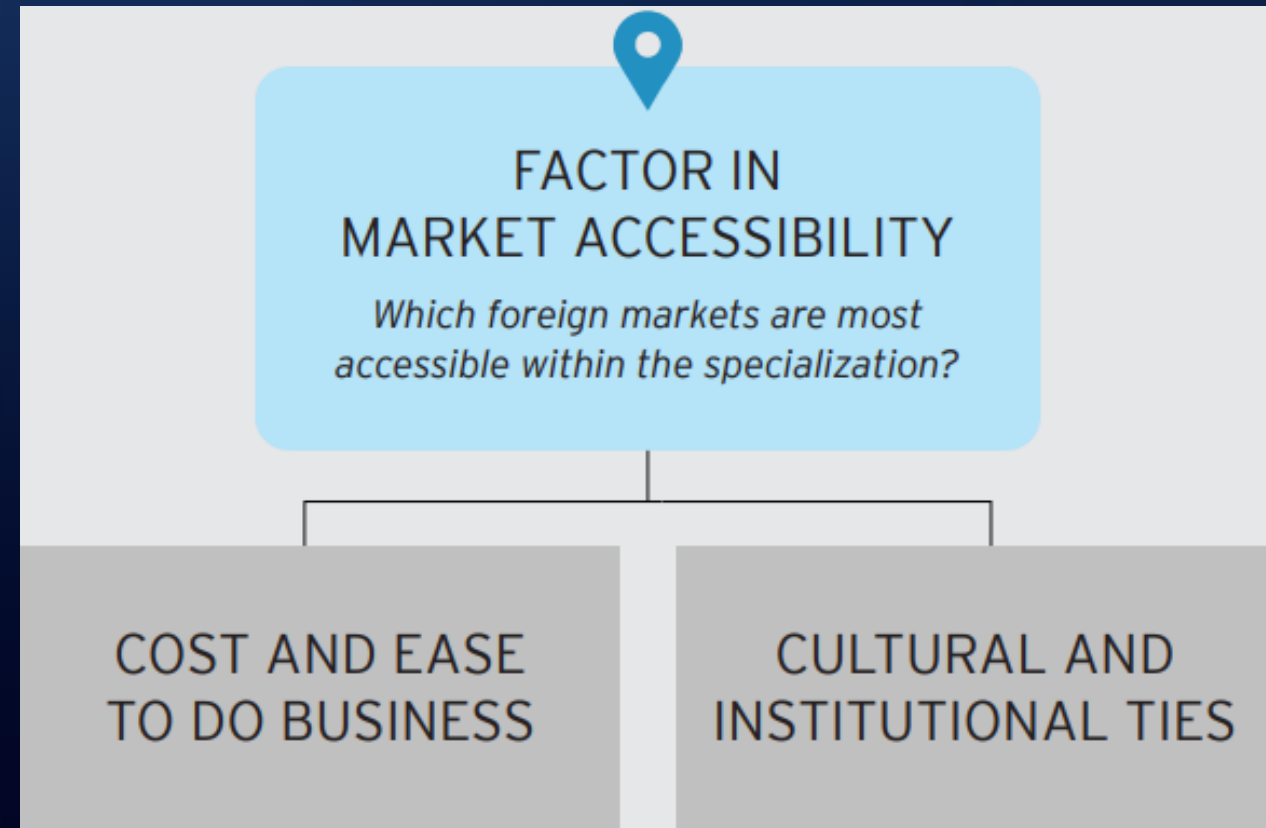
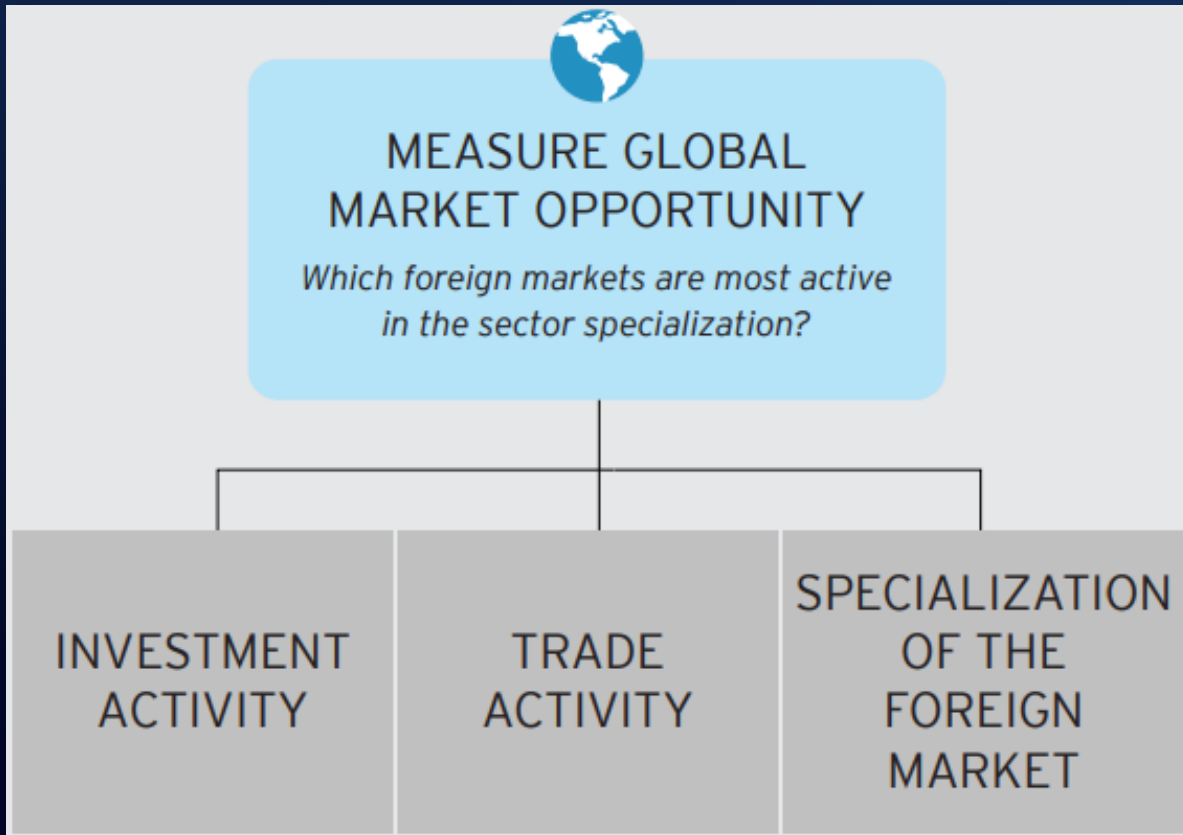
Source: Brookings, Which US commodities are most affected by Chinese, EU, and NAFTA retaliatory tariffs?, October, 2018

CATEGORIES OF ACTION FOR REGIONAL TRADE AND INVESTMENT STRATEGIES

- ▶ **INTEGRATION IN CORE ECONOMIC DEVELOPMENT**
 - ▶ Business Retention & Expansion (training)
 - ▶ Dedicated Lead Generator Staff
 - ▶ Activity Coordination
 - ▶ Data-Driven New Market Exploration
 - ▶ Industry Sector Targeting
 - ▶ Services Emphasis
 - ▶ Metro-to-Metro Trade Partnerships
- ▶ **ORGANIZATIONAL CHANGE**
 - ▶ Customer-Driven versus Service Providers
 - ▶ Performance Metric Alignment
- ▶ **MENTORING**
 - ▶ Companies Sharing Technical Expertise
 - ▶ Trade Mission Support / Supply Chain Entry
- ▶ **UNIVERSITY & INFRASTRUCTURE ROLES**
 - ▶ Student / Faculty Business Engagement
 - ▶ Gateway Market Presence
- ▶ **CULTURE CHANGE**
 - ▶ Grant Competitions
 - ▶ CEO Partners
- ▶ **GLOBAL IDENTITY**

EXAMPLE OF REGIONAL TRADE STRATEGY

MARKET PRIORITIZATION



MARKET ASSESSMENT AND SPECIALIZATION

FOCUS SUPPORT ON THE REGION'S HIGHEST
VALUE PROPOSITION TO FOREIGN MARKETS



NATIONALLY
DISTINCTIVE



INNOVATIVE



GLOBALLY
RELEVANT

GLOBAL CITIES INITIATIVE

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