

# Industry trade winners and losers ~ State economic development policy

## 2004 National Forum on Trade Policy

Durham, NC

December 9, 2004

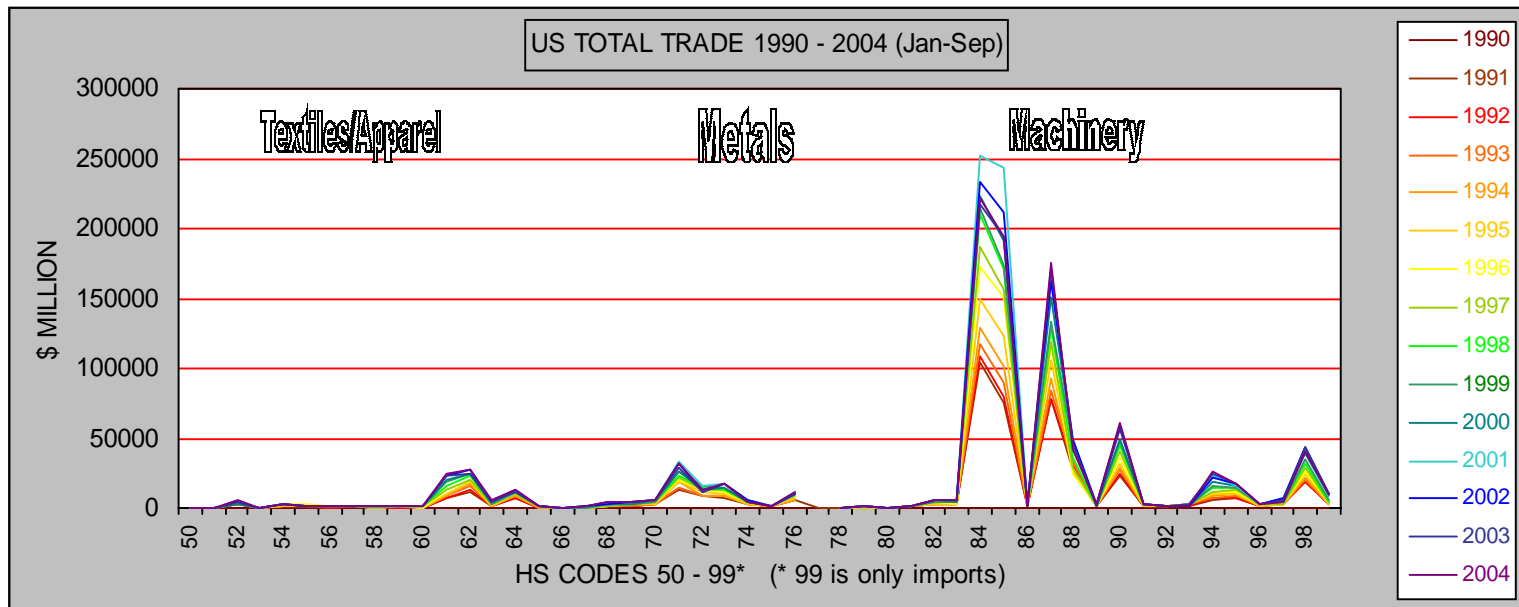
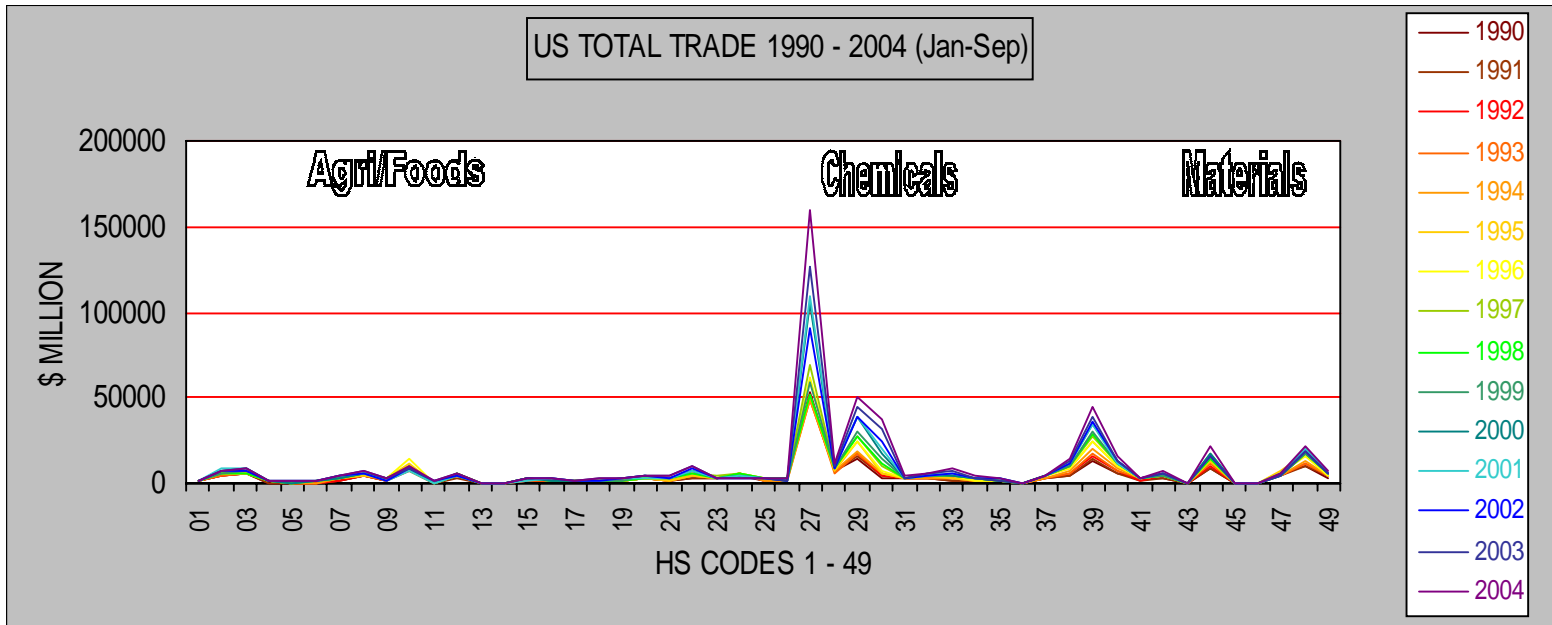
Laura Spingola

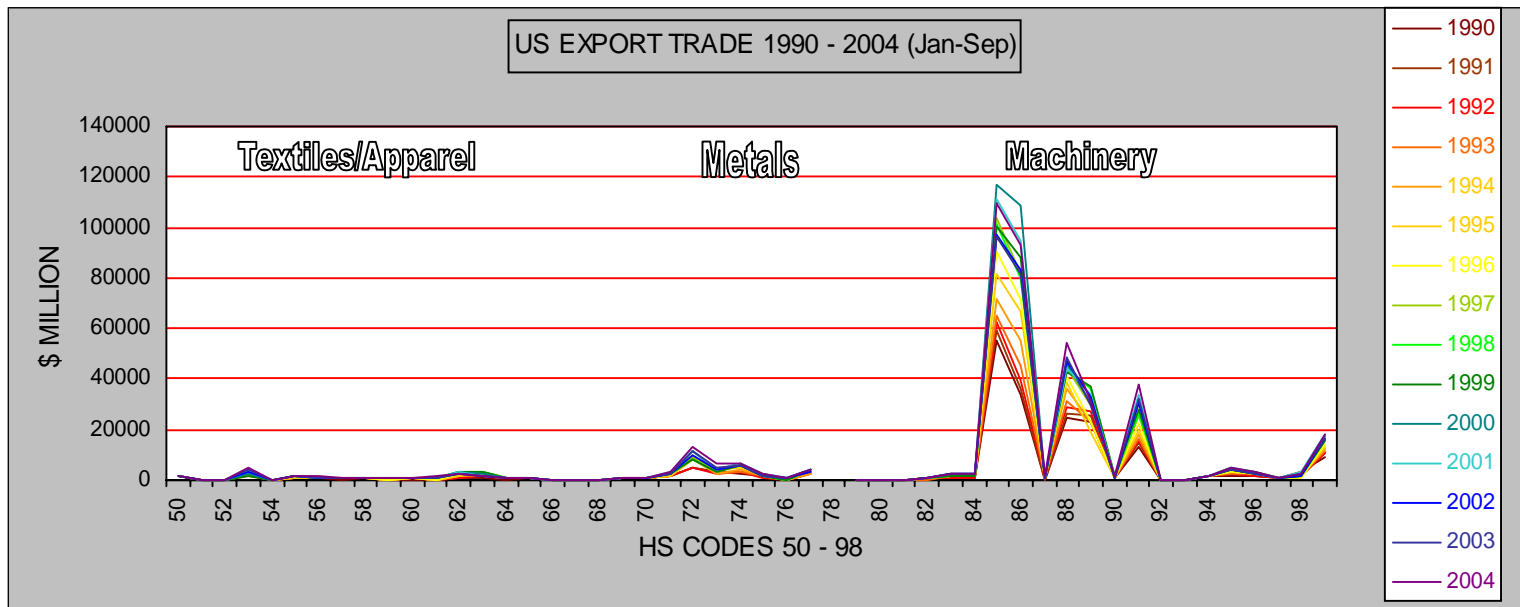
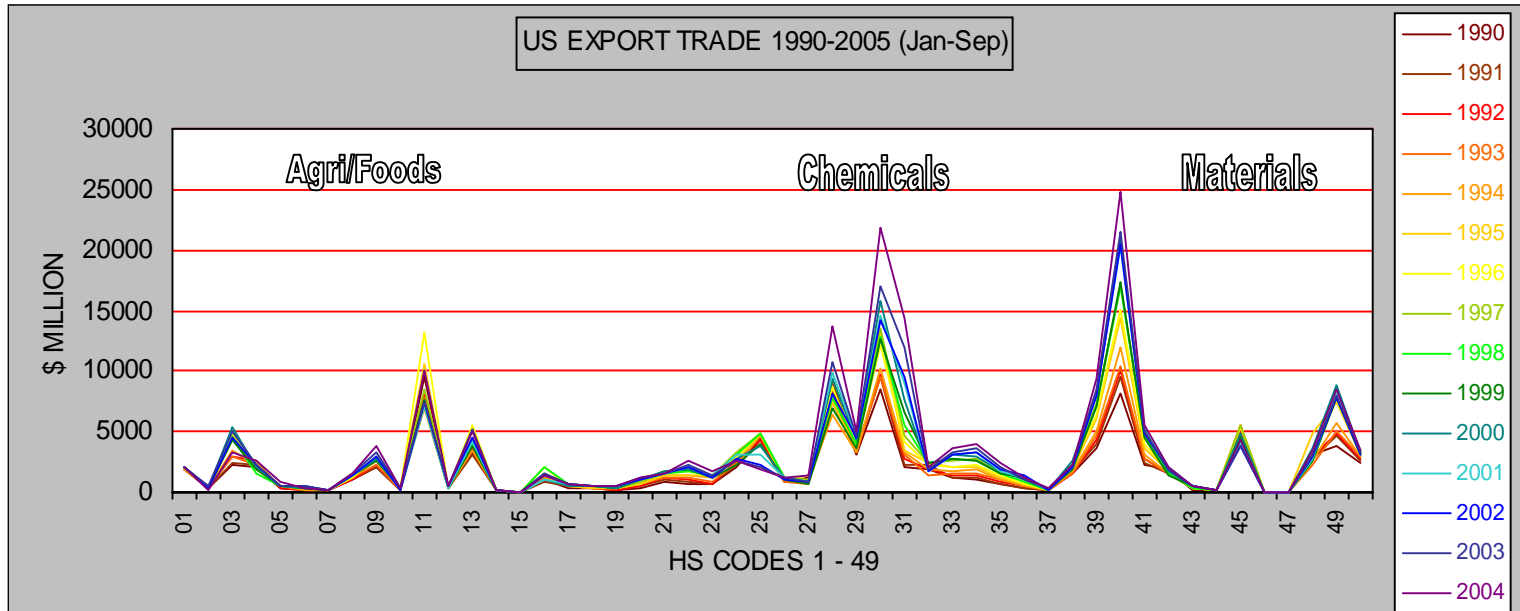
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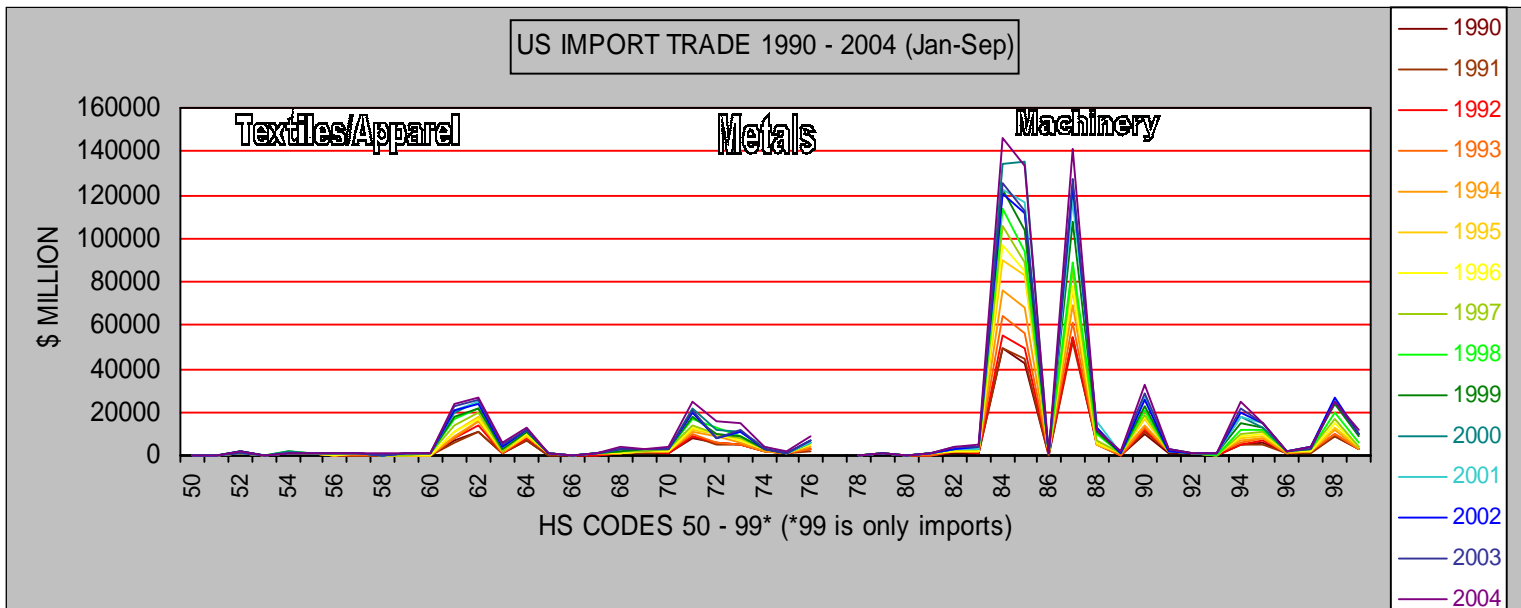
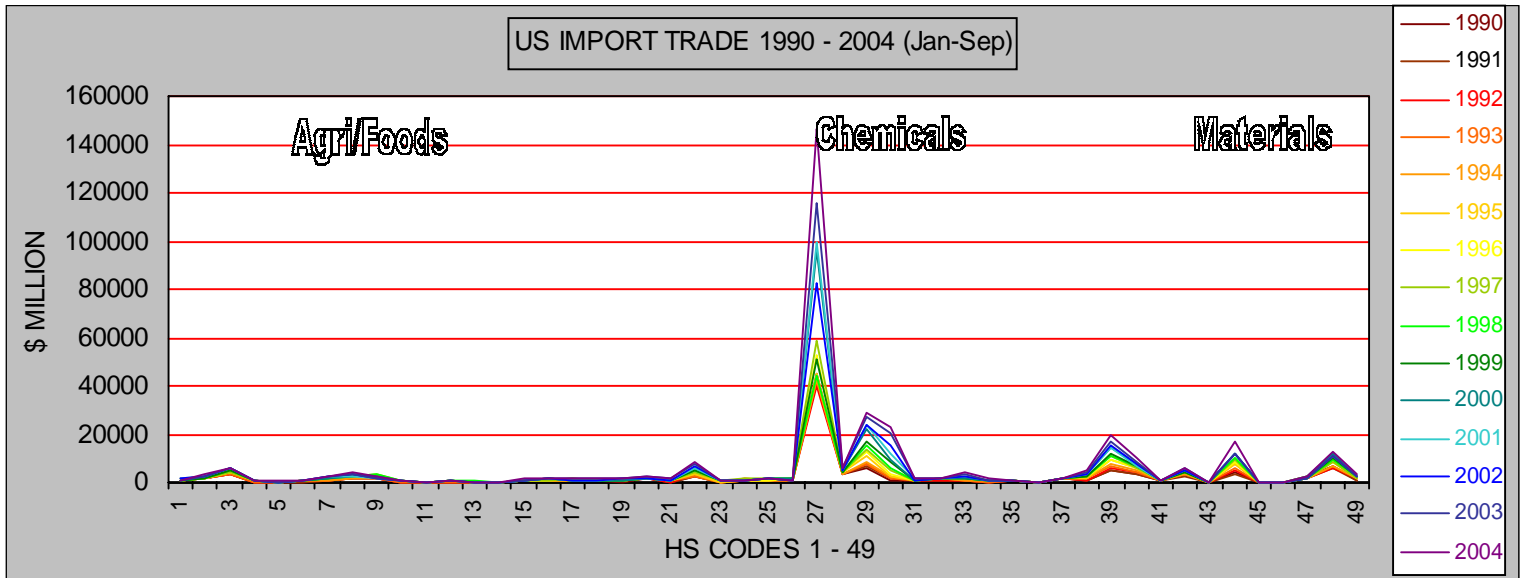
## Harmonized Classification Legend

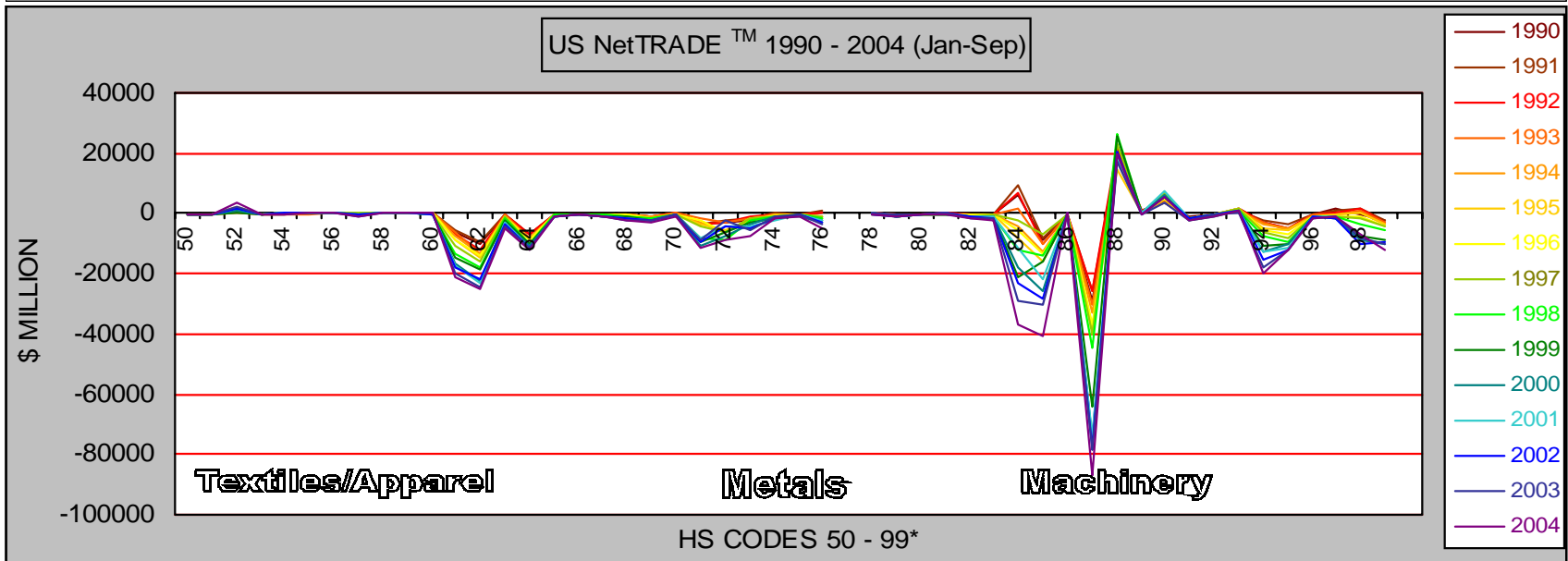
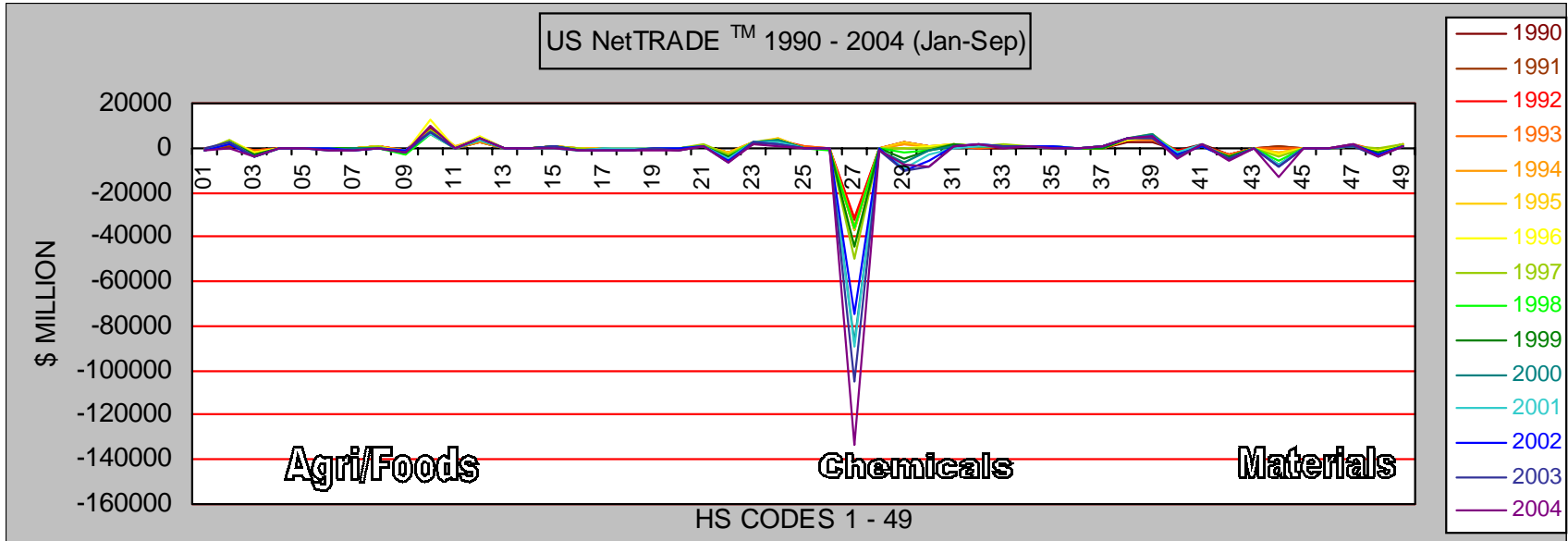
HS	DESCRIPTION	HS	DESCRIPTION
1	LIVE ANIMALS	50	SILK;SILK YARN,FABRIC
2	MEAT	51	ANIMAL HAIR & YARN, FABRC
3	FISH AND SEAFOOD	52	COTTON&YARN,FABRIC
4	DAIRY,EGGS,HONEY,ETC	53	OTHER VEG TEXTILE FIBER
5	OTHER OF ANIMAL ORIGIN	54	MANMADE FILAMENT,FABRIC
6	LIVE TREES AND PLANTS	55	MANMADE STAPLE FIBERS
7	VEGETABLES	56	WADDING,FELT,TWINE,ROPE
8	EDIBLE FRUIT AND NUTS	57	TEXTILE FLOOR COVERINGS
9	SPICES,COFFEE AND TEA	58	SPC WOVN FABRIC, LACE, TAPSTRY
10	CEREALS	59	IMPREGNTD TEXTILE,INDUSTRRL TEXT
11	MILLING;MALT;STARCH	60	KNIT,CROCHETED FABRICS
12	MISC GRAIN,SEED,FRUIT	61	KNIT APPAREL
13	LAC, GUMS, VEGETABLE SAP,EXTRACT	62	WOVEN APPAREL
14	OTHER VEGETABLE	63	MISC TEXTILE ARTICLS, NEEDLCRFT
15	FATS AND OILS	64	FOOTWEAR
16	PREPARED MEAT,FISH,ETC	65	HEADGEAR
17	SUGARS	66	UMBRELLA,WLK-STICKS,ETC
18	COCOA	67	ARTIF FLOWERS,FEATHERS, DOWN
19	BAKING RELATED	68	ART OF STONE,PLASTR,CEMNT,MICA
20	PRESERVED FOOD	69	CERAMIC PRODUCTS
21	MISCELLANEOUS FOOD	70	GLASS AND GLASSWARE
22	BEVERAGES	71	PRECIOUS STONES,METALS
23	FOOD WASTE; ANIMAL FEED	72	IRON AND STEEL
24	TOBACCO	73	IRON/STEEL PRODUCTS
25	SALT;SULFUR;EARTH,STONE	74	COPPER&ARTICLES THEREOF
26	ORES,SLAG,ASH	75	NICKEL&ARTICLES THEREOF
27	MINERAL FUEL, OIL ETC	76	ALUMINUM
28	INORG CHEM,PREC &RARE EARTH MET,ETC.	77	*Omitted
29	ORGANIC CHEMICALS	78	LEAD
30	PHARMACEUTICAL PRODUCTS	79	ZINC&ARTICLES THEREOF
31	FERTILIZERS	80	TIN & ARTICLES THEREOF
32	TANNING,DYE,PAINT,PUTTY	81	OTHER BASE METALS, ETC.
33	PERFUMERY,COSMETIC,ETC	82	TOOL,CUTLRY, OF BASE MTLs
34	SOAP,WAXES,POLISH,CANDLES,DENTAL PREP	83	MISC ART OF BASE METAL
35	ALBUMIN SUBS,MODIFD STARCH,GLUE,ENZYS	84	MACHINERY
36	EXPLOSIVES	85	ELECTRICAL MACHINERY
37	PHOTOGRAPHIC/CINEMATOGRAPHIC GOODS	86	RAILWAY;TRAFFIC SIGNAL EQPT
38	MISC. CHEMICAL PRODUCTS	87	VEHICLES, NOT RAILWAY
39	PLASTIC	88	AIRCRAFT,SPACECRAFT
40	RUBBER	89	SHIPS AND BOATS
41	HIDES AND SKINS	90	OPTIC,NT 8544,MED/SURG INSTRMT
42	LEATHER ART,SADDLERY, HANDBAGS, ETC.	91	CLOCKS AND WATCHES
43	FURSKIN&ARTIFICIAL FURSKIN, MFTRES	92	MUSICAL INSTRUMENTS
44	WOOD	93	ARMS AND AMMUNITION
45	CORK	94	FURNITURE AND BEDDING
46	STRAW,ESPARTO; BASKTWRE, WICKERWORK	95	TOYS AND SPORTS EQUIPMT
47	WOODPULP, RECOVERED PAPER & PAPERBD	96	MISCELLANEOUS MANUFACTURES
48	PAPER,PAPERBOARD	97	ART AND ANTIQUES
49	BOOK&NEWSPAPR;MANUSCRPT	98	SPECIAL OTHER
		99	OTHER SPEC. IMPORT PROVISIONS

Source of Data: US Dept of Commerce, Bureau of the Census; World Trade Atlas (R) GTIS









## Definition: Winners and Losers

- *Winner:* Mean of NetTrade™ is greater than + \$ 3 Billion for 15 years
  - (3 qtr average 1990-2004).
- *Loser:* Mean of NetTrade™ is less than -\$ 3 Billion for 15 years
  - (3 qtr average 1990-2004).

## Winners

NetTRADE™ average and % of 2004 Total Trade to Exports

1. HS 88 Aircraft/Spacecraft	+ \$19.8 Bil/3 qtrs. 73%
2. HS 10 Cereals	+ \$ 7.9 Bil/3 qtrs. 94%
3. HS 39 Plastic	+ \$ 4.9 Bil/3 qtrs. 56%
4. HS 90 Optics, Med, Surg Instrmts	+ \$ 4.9 Bil/3 qtrs. 54%
5. HS 38 Misc. Chemical Products	+ \$ 3.9 Bil/3 qtrs. 67%
6. HS 12 Misc. Grain, Seed, Fruit	+ \$ 3.7 Bil/3 qtrs. 88%

# Losers

NetTRADE™ average and % of 2004 Total Trade to Imports

HS 27 Mineral Fuel, Oil	- \$ 58.2 Bil/3 qtrs. 91%
HS 87 Vehicles	- \$ 50.6 Bil/3 qtrs. 72%
HS 85 Electrical Machinery	-\$ 17.6 Bil/3 qtrs. 59%
HS 62 Woven Apparel	- \$ 17.2 Bil/3 qtrs. 95%
HS 61 Knit Apparel	- \$ 12.1 Bil/3 qtrs. 92%
HS 84 Machinery	- \$ 10.0 Bil/3 qtrs. 57%
HS 64 Footwear	- \$ 9.5 Bil/3 qtrs. 96%
HS 94 Furniture, Bedding	- \$ 8.6 Bil/3 qtrs. 84%
HS 95 Toys and Sports Eqpt.	- \$ 8.2 Bil/3 qtrs. 83%
HS 71 Precious Stones, Metals	- \$ 6.2 Bil/3 qtrs. 65%
HS 72 Iron and Steel	- \$ 5.3 Bil/3 qtrs. 71%

## Losers (cont'd)

HS 44 Wood	-\$ 4.5 Bil/3 qtrs. 80%
HS 42. Leather Goods	-\$ 3.9 Bil/3 qtrs. 91%
HS 22 Beverages	-\$ 3.7 Bil/3 qtrs. 84%
HS 98 Special Other	-\$ 3.5 Bil/3 qtrs. 58%

## Illinois, Indiana, Iowa, North Carolina Top Export Industries in Common

Trends in Employment and No. of Establishments 2001-2003

### Industrial Machinery

IL	Emp. - 18.5%	No. of Establishmts. - 9.1%
IN	Emp. -13.4%	No. of Establishmts. - 5.6%
IA	Emp. -11.6%	No. of Establishmts. - 7.5%
NC	Emp. -16.5%	No. of Establishmts. - 11.8%

### Electrical Machinery

IL	Emp. -23.4%	No. of Establishmts. - 9.3%
IN	Emp. -17.0%	No. of Establishmts. - 1.9%
IA	Emp. -16.8%	No. of Establishmts. - 19.6%
NC	Emp. -29.5%	No. of Establishmts. - 12.4%

Source: US Dept. of Labor, BLS

## Policy Implication and Questions

\*Winners and Losers are not absolute - every winning industry has losers and every losing industry has winners (“pockets of opportunity”)

egs. Indl Machinery - Harvesting machinery, Gas turbines

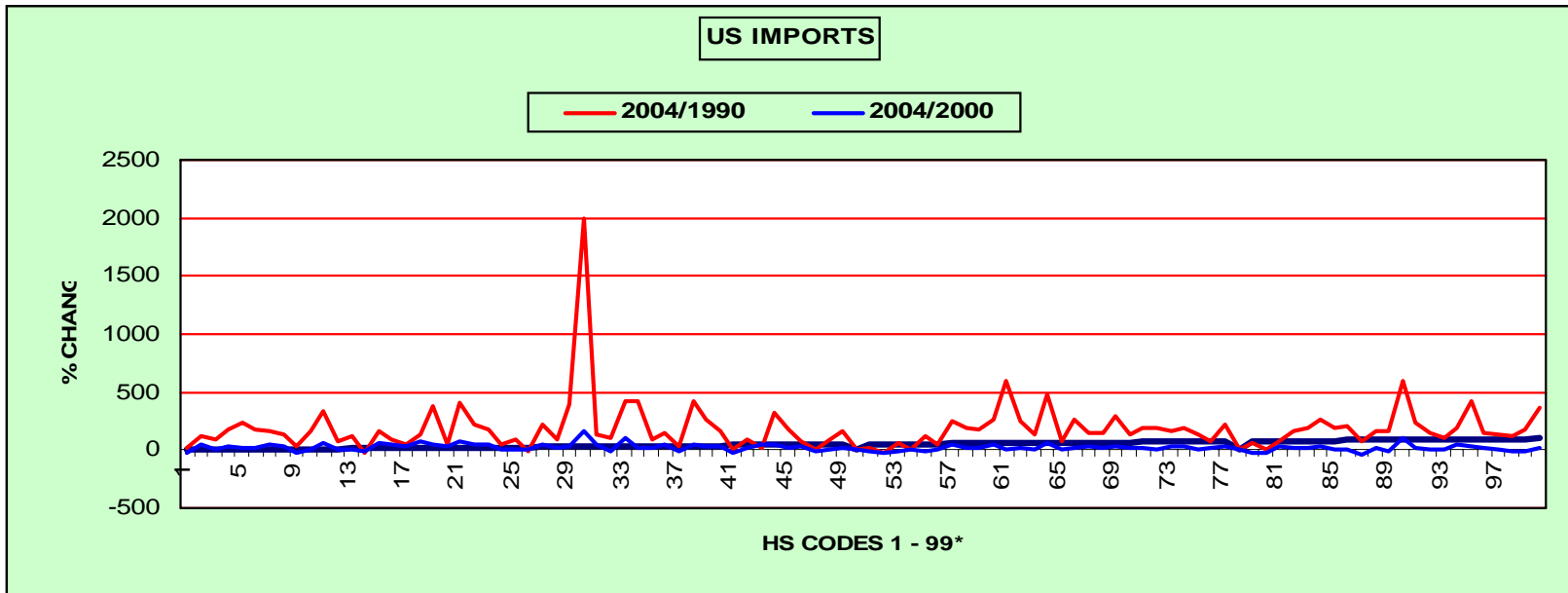
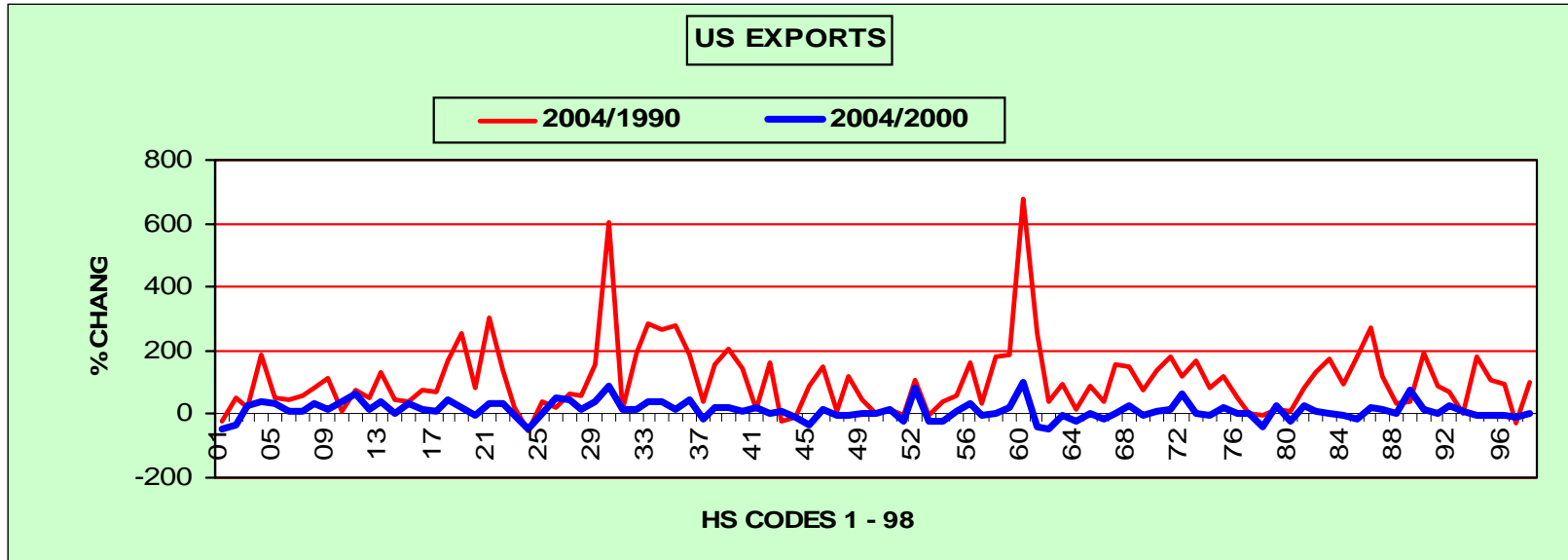
Elec Machinery - Electric capacitors, Integrated circuits

\*The competitiveness of neighboring states - what is the Net effect?

\*Industry consolidation and Productivity gains - what is the Net effect?

(hint: the need for more global awareness)

\*How can states/and regions adapt strategies in a low dollar environment?



*Soon to be released a comprehensive manual  
coauthored by Laura Spingola ~  
“The World Trade Center Chicago Guide to Doing  
Business in the U.S.” (January, 2005)*

*To order please call (312-939-5030) or (312-467-0550) or write*

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**Thank You!**