

Metropolitan Export Exchange Market Assessment

TAMPA BAY, FLORIDA





Key Findings:

1

Tampa Bay is a major market with significant international ties

The Tampa Bay region (pop. 4.3 million) is a 6,500-square-mile economic and cultural region on the west coast of central Florida. It is made up of the metropolitan statistical areas of Tampa-St. Petersburg-Clearwater, North Port-Bradenton-Venice, Lakeland-Winter Haven and Homosassa Springs. Tampa Bay's eight counties are: Citrus, Hernando, Hillsborough, Manatee, Pasco, Pinellas, Polk and Sarasota. The region is home to four deep-water ports (Citrus, Manatee, St. Petersburg and Tampa), three international airports (Sarasota-Bradenton, St. Petersburg-Clearwater and Tampa) and a robust network of interstates and highways for the movement of goods.

Tampa Bay is a major exporting region ranking 26th among the nation's largest metros. **In 2012, Tampa Bay produced more than \$13 billion in exports representing 23 percent of Florida's \$58 billion export total and nearly 1 percent of the \$2 trillion of U.S. exports.**

2

Traditional pillar of growth will not sustain economic recovery

Tampa Bay by the Numbers

4.3 million	Population
8	Counties
6,500	Square Miles
4	Deep-Water Ports
3	International Airports
\$173 billion	Gross Regional Product
\$13 billion	Value of Exports

Property values within the region experienced a dramatic decline during the recessionary period with little sign of improvement. Gross and taxable sales also experienced negative impacts during this time period but recently showed signs of improvement. Tourist development taxes have made a strong recovery surpassing pre-recession levels.

Looking forward, regional population and households are expected to grow by less than 1 percent annually between 2013 and 2018.





Tampa Bay Export National Rankings

26th	Exports (2012)
24th	Exports (2003)
65th	Export Growth ('03 - '12)
31st	Goods Exports (2012)
29th	Goods Exports (2003)
66th	Goods Export Growth ('03 - '12)
21st	Service Exports (2012)
18th	Service Exports (2003)
65th	Service Export Growth ('03 - '12)
88th	Export Intensity (2012)
87th	Export Intensity (2003)
56th	Export Intensity % ('03 - '12)

Note: Ranking among 100 largest (by population) U.S. Metros; Export Intensity calculated as Regional Exports (Nominal \$) / GRP (Nominal \$)

3

Exports can play a major role in accelerating regional economic growth

Tampa Bay's economy could demonstrate significant resilience through an emphasis on export growth.

The opportunity to grow exports in the Tampa Bay region is significant. Currently, despite Tampa Bay representing roughly 25 percent of the state's population and economic output, the region accounts for only \$10 billion of merchandise exports or less than 15 percent of total state exports.

Exports account for 8 percent of the gross regional product (GRP), ranking Tampa Bay roughly 88th among the nation's largest metros. The high-value added and relatively low-weight goods that form the bulk of Tampa Bay's manufacturing base, especially electronics and medical devices, are ideally poised for export.

If exports fueled growth to an extent that Tampa Bay's share of GRP due to exports increased to the 100-metro average of 12 percent, the region would incur an \$8 billion benefit, increasing the GRP by 5 percent and potentially creating 40,000 jobs.

4

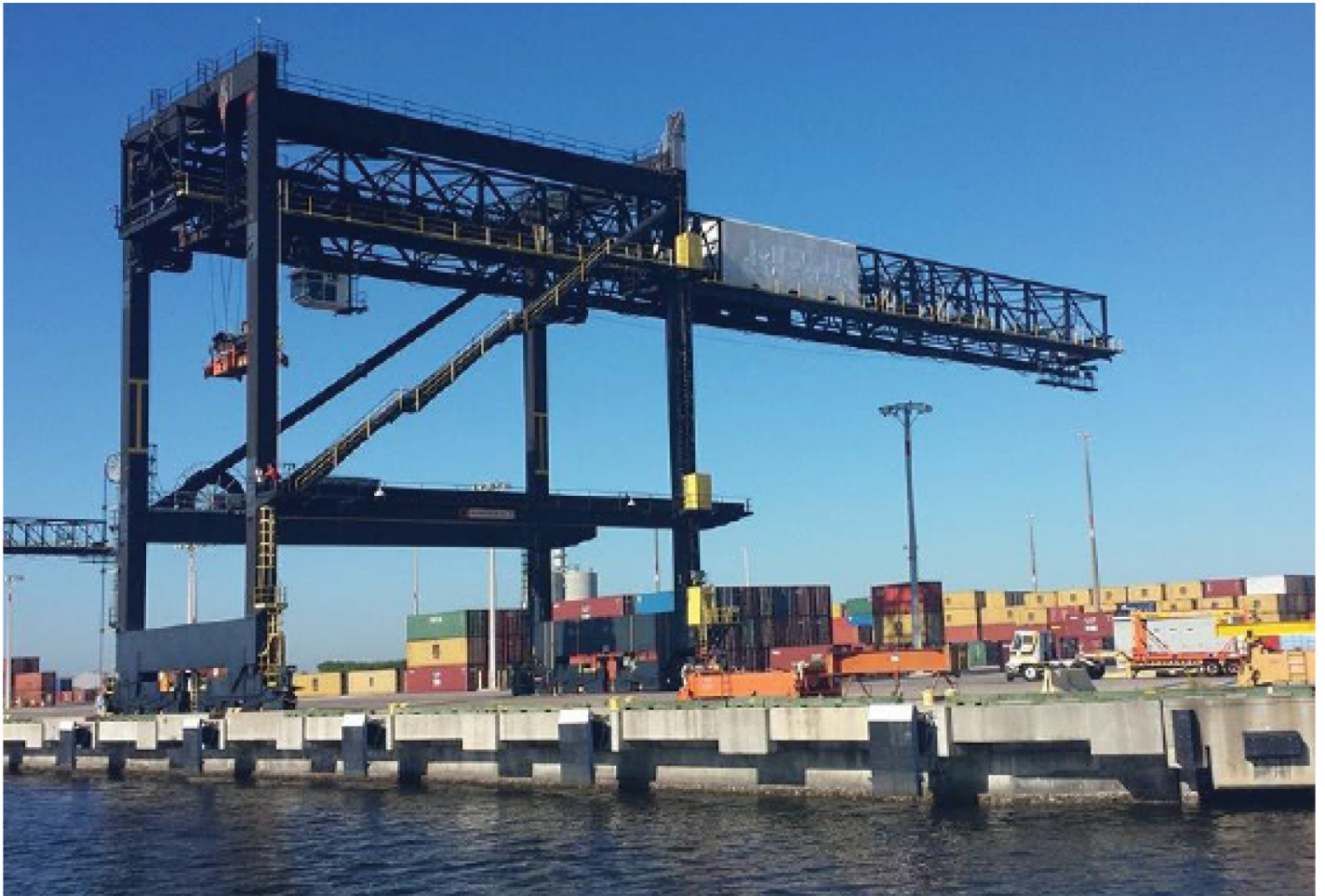
Tampa Bay's Export Challenge

An effort to promote the importance of exports to regional businesses does not start from scratch. Several key building blocks are already in place. Regional service providers such as the Department of Commerce Export Assistance Center, Enterprise Florida's regional trade office, the Small Business Development Center and a host of locally focused organizations otherwise encourage export development as part of their business retention and expansion activities.

These providers deliver exceptional service. One survey conducted during this market assessment process resulted in 4 out of 5 clients rating the services of export service providers as "Excellent" or "Very Good." However, relatively few businesses take advantage of these services.

Key obstacles prevent this region from realizing its export moment. 75 percent of non-exporters reported that they do not know what to do to export. 48 percent of non-exporters are more interested in expanding within the U.S. despite the fact they may be unaware **that the bulk of customers and potential revenue lies beyond the borders of the U.S. and that the international market is predicted to grow significantly faster than the domestic market over both the short and long term.**





5

Cooperate to Compete

The potential for export-led economic growth is real and has been incorporated into the regional economic development plan and strategy by SRI's suggestions in the Tampa Bay Regional Business Plan. In addition, there is new leadership within the metro area - many of whom joined Under Secretary of Commerce for International Trade Francisco J. Sanchez to sign a Memorandum of Intent to support the 2011 National Export Initiative. These regional leaders are supporting new ideas and are illustrating their commitment to engage the world economy by marketing Tampa Bay's interests to promote exports. Cooperative regional activities to bolster and develop international air service have fortified bonds across jurisdictions. Local and global infrastructure improvements, such as; the Interstate 4 Port Connector and the Panama Canal expansion continually position the Tampa Bay region for export growth.

Actions to achieve focus on a broad education and marketing effort include (a) communicate the importance of exporting to small- and medium-sized businesses and (b) deliver the technical knowledge and intelligence needed for transactional success to firms that commit to start an export journey.

Regional Export Economy and Exporting Industries

In 2012, Tampa Bay exported \$13 billion in goods and services, ranking 26th among the nation’s 100 most populous metros. This activity represents 23 percent of Florida’s exports and nearly 1 percent of U.S. exports. The region’s top 10 of 34 major export industries account for 70 percent (\$9 billion) of total regional exports (see Table 1 below). Overall, the top 10 industries experienced modest growth between 2003 and 2010, which included a period of major economic downturn in the state and the country.

Table 1 - Top 10 Export Industries

Tampa Bay Industry (Top 10 Sectors)	Real Exports (\$ M) (2012)	Percentage of Total Exports (2012)	Annualized Change (2003-2012)
Travel & Tourism	\$ 1,918.0	14.4%	3.4%
Computers & Electronics	\$ 1,704.0	12.8%	7.7%
Medical Equip./Sporting Goods	\$ 1,022.1	7.7%	8.0%
Royalties	\$ 981.3	7.4%	5.3%
Financial Services	\$ 762.7	5.7%	7.9%
Chemicals	\$ 753.7	5.6%	-1.1%
Management & Legal Services	\$ 615.5	4.6%	8.2%
Machinery	\$ 558.5	4.2%	1.6%
Agriculture	\$ 540.0	4.0%	-1.8%
Transportation Equipment	\$ 430.4	3.2%	6.0%
Total	\$ 9,286.2	69.6%	4.4%

Source: Brookings Institute, Export Nation 2013 Database

International tourism and international students are other aspects of global trade present in our regional economy. The University of South Florida system alone, which is the region’s largest university with more than 47,000 students on three campuses, welcomed more than 2,100 international students from 100+ countries in the fall of 2012.



Tourism

Tourism is one of the major industries of the Tampa Bay region and represents 14.4 percent of all exports of the region. The region hosts three international airports and draws large numbers of international visitors. Pinellas County had 5 million visitors with 1,452,928 international visitors or 28 percent of all visitors.

Education

Tampa Bay is home to a large number of public and private institutions of higher learning.

Export Jobs:

Table 2 lists the top 10 industries according to direct export production and support jobs, which includes 80 percent of all direct export production and support jobs in the Tampa Bay region.

Table 2 - Export Job Production

Top 10 Direct Export Production Industry Jobs With Corresponding Export Support Jobs (2010)		
Major Industry	Direct Export Production Jobs	Export Support Jobs
Travel and Tourism	10,049	13,452
Business Services	9,298	11,613
Royalties	3,593	5,932
Computer and Electronics	2,888	7,043
Financial Services	2,472	5,399
Education	2,173	2,173
Agriculture	2,116	4,286
Medical Equip., Sporting Goods	1,991	4,307
Machinery	1,711	4,012
Freight and Port Services	1,702	2,738
Total	37,993	60,955

Source: Brookings Institute, Export Nation 2012 Database



Local Export Players

Key players (federal, state and local) involved in the provision of export services to Tampa Bay companies include the following organizations:

- Tampa Bay Export Assistance Center, U.S. Commercial Service, U.S. Department of Commerce
- Enterprise Florida, Inc.
- The University of South Florida Small Business Development Center (SBDC)
- The Tampa Bay Trade & Protocol Council
- Tampa Hillsborough Economic Development Corporation
- Bradenton Area Economic Development Corporation
- Pinellas County Economic Development



Market Intelligence: Surveys and Interviews

This market assessment utilized two surveys and individual interviews to augment and complement the regional economic data reported here with firm-specific data. Additionally, open-ended questions in both the surveys and interviews were conducted to better understand the specific reasons given for a firm's engagement (or non-engagement) in export activity and to provide better understanding of the challenges faced by both new-to-export and new-to-market firms.

An internet survey of Tampa Bay companies was accessible to the public at www.GlobalTampaBay.com between November 26, 2012 and February 4, 2013. In total, 219 companies initiated the survey with 176 respondents completing the questionnaire.

To counter any sample bias effects, a telephone survey recorded the responses of 400 Tampa Bay manufacturers, professional and technical service providers and select financial and information service providers. Results from the telephone survey are, by design, reflective of a unique subset of exporters. Therefore, the findings reported in this general market assessment are drawn from the internet survey.



SURVEY RESULTS

34 percent of those surveyed were located in Hillsborough County, followed by Pinellas (21 percent), Sarasota (18 percent) and Manatee (14 percent). In terms of company size based on the number of employees, 42 percent reported having one to ten employees with the next largest segment of firms, 21 percent, having reported company size between 25-100 employees. Less than 5 percent of respondents' firms employed more than 500 people. **Manufacturing** emerged as the dominant characteristic of Tampa Bay respondent firms at 37 percent. **Professional, Scientific and Technical Services** (14 percent) and **Wholesale Trade** (11 percent) represented the next two largest respondent industry sectors.

TOP EXPORT MARKETS

In a previous edition of its Export Nation, Brookings compiled data from 73 countries that trade more than \$1 billion with the U.S. by metropolitan area. Table 3 shows the top 10 export destinations for 2010 and export growth rates from 2009-2010.

The top 10 export countries represent 56 percent of all real exports in 2010 from the region.

COMPANIES WITH EXPORTS

The vast majority of respondent companies, 66 percent, reported export activity with 77 percent of these identifying as a goods exporter. Nearly 77 percent of companies exporting only goods exported a final product; the remainder distributed other producers' goods or exported intermediate inputs. Among exporters of final products, no sector appeared particularly dominant in terms of exported goods - within exported goods the most-frequently identified specific categories (multiple choices allowed) were: **Machinery** (20 percent), **Medical Devices** (18 percent), **Computers and Electronics** (16 percent) and **Electrical Machinery** (16 percent). **Business, Professional and Technical Services** were the largest category (33 percent) among exported services followed by **Engineering Services** at 31 percent.

Table 3: Tampa Bay Top 10 Export Destinations

Country		Real Exports (\$ M) (2010)	Real Export Growth (2009-2010)
Canada	\$	1,481.6	9.59%
Mexico	\$	824.5	7.63%
Japan	\$	782.1	5.23%
United Kingdom	\$	711.3	-4.83%
China	\$	653.2	23.89%
Germany	\$	466.1	-0.33%
Korea	\$	399.4	20.58%
Brazil	\$	311.7	21.55%
Netherlands	\$	308.1	-3.22%
France	\$	276.3	-5.46%
Total	\$	6,214.3	7.33%

Source: Brookings Institute, Export Nation 2012 Database

Internet survey respondent firms identified (see Chart 1) more than \$820 million in estimated sales to 80 export markets. Among these, no one export market reigned dominant. Top 20 export markets accounted for nearly 85 percent of estimated export sales.

NON-EXPORTING COMPANIES

Of those companies surveyed, 48 percent stated that they did not export because their company's product or service could not be exported. Nearly 23 percent expressed greater interest in expanding within the U.S.

Companies faced significant challenges in exporting or considering new export markets (respondents could select all that apply). Among the top challenges identified: finding appropriate channel partners or buyers (49 percent); marketing and promoting products/ services internationally (48 percent); and identifying the best markets for products/services (39 percent). With reference to an overseas presence (overseas subsidiaries, distribution centers, sales offices, etc.) a majority of companies, 63 percent, stated that they did not have an international presence.

EXPORT ASSISTANCE

Most companies, 68 percent, had not received export assistance from either government or non-profit providers. Of the 26 percent having received export assistance, nearly 84 percent identified the U.S. Commercial Service as the agency consulted for assistance. State-level agencies focused on trade export development, and the Small Business Administration, including the SBDC network were also identified as having been consulted for export assistance, although to a lesser extent. Companies having engaged with export assistance providers rated them highly: excellent (56 percent), very good (28 percent) and good (17 percent).



Local Market Intelligence Summary

Exporters and non-exporters alike identified the need for export education as a means to incite export activity. Given the high ratings of the region's export service providers, the need is likely for "more" rather than "better" education. One distinction of interest between exporters and non-exporters is that non-exporters more frequently mentioned transactional costs (export financing, finding suitable foreign distributors, payments, etc.) versus transformation of attitudes (awareness of international opportunities, cultural awareness) as inhibitors of export activity. This bodes well for Tampa Bay's export efforts in that it suggests that the technical/transactional barriers can be (and have been) overcome by export education. Furthermore, this distinction leads to the need for a concerted marketing effort outlining the benefits of international engagement from a multitude of business and civic leaders to the broad business community.

RESOURCES REFERENCED

Brookings Export Nation Series (All figures from 2013 edition unless otherwise specified)

Enterprise Florida, International Trade & Development

Florida Department of Economic Opportunity, Labor Market Statistics

Florida Department of Revenue

Association of General Contractors

State List of Construction Employment by Metropolitan Area or Division, 12/11-12/12

St. Petersburg/Clearwater Area Convention & Visitor Bureau 2011 Annual Visitor Profile

Acknowledgements

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About the Tampa Bay Partnership

The Tampa Bay Partnership is the regional organization that works with its partners to market the region nationally and internationally, to conduct regional research and to coordinate efforts to influence business and governmental issues that impact economic growth and development.

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