

Project on State and Metropolitan Innovation

A Summary Prepared for the U.S. Conference of Mayors Exports and Ports Task Force

Minneapolis-Saint Paul Metro Export Plan

In 2010, the National Export Initiative (NEI) was launched at a Minneapolis-Saint Paul (MSP) event featuring federal agency leaders and an audience of over 375 private and public sector representatives. This crystallized the “export moment” for local leaders. However, despite being home to globally-recognized companies (e.g., 3M, Cargill, General Mills, Medtronic), the region is under-exporting. Most MSP metro area firms lack awareness of global

opportunities and the impressive array of local export services. In June 2011, state and regional leaders began a partnership with Brookings to develop a metro export plan to become much more intentional about tapping global markets.

► **Export Profile:** Over 70 percent of the metro area’s exports and export growth are concentrated in 10 core industries, including advanced manufacturing (machinery, medical instruments, chemical, computer, and electronic products); professional services; travel and tourism; transportation; and royalties. Exports from MSP are sent primarily to markets in the NAFTA region, Europe, and Asia.

► **State of Export Services:** Based on surveys and interviews with firms and service providers, it was determined that: (a) the pipeline of export ready companies is not what it needs to be to meet NEI goals, exemplified by poor attendance at many high-quality local export events; (b) to succeed companies must be intentional about exports, yet most companies lack awareness of export opportunities and available services; (c) core export programs and services in MSP are good, but highly fragmented; export service delivery to exporters could be enhanced with greater collaboration and coordination among providers; (d) federal and state commitment and vision for exports is shaky; (e) proactive outreach and on-going case management support for both new-to-market (NTM) and new-to-export (NTE) companies is lacking; and (f) small and medium sized enterprises (SMEs) are reluctant to invest in export market research.

► **Objectives and Strategies:** This export plan represents the first step toward marshalling the area’s exceptional assets to open up opportunities for companies in global trade. MSP metro leaders seek to increase and sustain regional jobs by doubling exports from 2012 to 2017, expand exports among SMEs and in new foreign markets, and increase global orientation and fluency in the region. The export plan identifies three core strategies to meet these objectives.

1. **Solidify the Regional Export Team:** Create a coordinated, comprehensive, integrated, and sustainable regional export services system in the MSP metro that builds on the solid but fragmented set of existing federal, state, and local providers.
2. **Target Global Markets based on Regional Assets:** Identify and target MSP’s unique “silk road” (the intersection of core regional assets/industries, opportunities in global markets, and existing relationships) for proactive outreach and marketing. For example, MSP is already engaged in building medtech business partnerships with Japanese companies to capitalize on sector strength, tapping connections initially made through a sister city relationship and recently reinforced by a visit from Governor Dayton.
3. **Sell MSP to the World:** Market MSP and global trade opportunities both internally and externally, including generating broad awareness of the importance of global trade to long-term economic viability and growth of MSP and its companies.

Minneapolis-Saint Paul Region Exports

	Value	Metro Rank
Exports, 2008	\$19 billion	14
Export Growth, 2003–2008	\$5.1 billion	13
Export Growth Rate, 2003–2008	37.1%	66
Export Jobs, 2008	179,973	11
Export Jobs Growth, 2003–2008	66,446	8
Export Jobs Growth Rate, 2003–2008	58.5%	33

Source: Emilia Istrate, Jonathan Rothwell, and Bruce Katz, “Export Nation: How U.S. Metros Lead National Export Growth and Boost Competitiveness” (Washington: Brookings Institution, 2010); a rank of “1” signifies the highest value among the 100 largest metropolitan areas.

Export Plan Development

The MSP metro export plan was developed by a steering committee comprised of the top leadership of the following regional coalition organizations:

City of Minneapolis /Office of Minneapolis Mayor R.T. Rybak (co-lead)
Minnesota Trade Office (co-lead)
Carlson School of Management, University of Minnesota
Center for International Business and Education Research (CIBER)
City of Saint Paul
Enterprise Minnesota
Greater MSP, Inc
Lifescience Alley/BioBusiness Alliance
McKinsey & Company
Midwest Global Trade Association
Minnesota Chamber of Commerce/Grow Minnesota!
Minnesota Department of Agriculture
Minnesota Dept of Employment & Economic Development
Minnesota High Tech Association
Office of Governor Mark Dayton
Office of Edina Mayor James Hovland
Office of Saint Paul Mayor Christopher Coleman
U.S. Commercial Service - Minneapolis
U.S. Small Business Administration
Urban Land Institute Minnesota

For More Information

Jeff Phillips
International Trade Representative
Minnesota Trade Office
jeffrey.phillips@state.mn.us

About the Brookings-Rockefeller Project on State and Metropolitan Innovation

States and metropolitan areas will be the hubs of policy innovation in the United States and the places that lay the groundwork for the next economy. The Brookings-Rockefeller Project on State and Metropolitan Innovation will present fiscally responsible ideas state leaders can use to create an economy that is driven by exports, powered by low carbon, fueled by innovation, rich with opportunity and led by metropolitan areas.

Part of the Brookings-Rockefeller Project on State and Metropolitan Innovation, the Brookings Metropolitan Export Initiative (MEI) is a ground-up collaborative effort to help regional civic, business, and political leaders, with their states, create and implement customized Metropolitan Export Plans (MEPs), from which this summary export plan is drawn. These localized export plans will apply market intelligence to develop better targeted, integrated export-related services and strategies to help regions better connect their firms to global customers, as outlined by their individualized export goals.

About the Metropolitan Policy Program at the Brookings Institution

Created in 1996, the Brookings Institution's Metropolitan Policy Program provides decision makers with cutting-edge research and policy ideas for improving the health and prosperity of cities and metropolitan areas including their component cities, suburbs, and rural areas. To learn more visit: www.brookings.edu/metro.

About The Rockefeller Foundation

The Rockefeller Foundation fosters innovative solutions to many of the world's most pressing challenges, affirming its mission, since 1913, to "promote the well-being" of humanity. Today, the Foundation works to ensure that more people can tap into the benefits of globalization while strengthening resilience to its risks. For more information, please visit www.rockefellerfoundation.org.



Metropolitan Policy Program

at BROOKINGS

telephone 202.797.6139

fax 202.797.2965

web site www.brookings.edu/metro

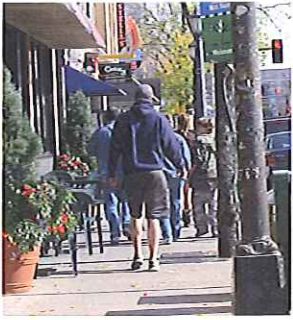
BROOKINGS

THE
ROCKEFELLER
FOUNDATION

City of Minneapolis

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (CPED)

Export Opportunities and Resources



Expand through exports

- 87% of economic growth in this century is expected to occur outside the United States.
- Rising middle class populations in countries such as China, Chile, Russia and India present new opportunities for US goods and services with a reputation for quality.
- International business opportunities provide diversification to US businesses. Market opportunities may exist abroad even when a particular sector is slumping (e.g. many Minneapolis architecture firms have survived the domestic downturn in new construction design by aggressively pursuing work in the Middle East).
- The International Trade Administration estimates that a US job is created or retained for every \$181,000 in export orders.
- Only 1% of US businesses currently export, and of these 58% export to only a single international market.

Export Assistance

- The **Minnesota Trade Office** (www.positivelyminnesota.com/Business/Exporting_Trade) hosts workshops on doing business in particular geographic regions and nuts and bolts issues such as CE marking required to export to the European Union, organizes trade missions, and has staff with geographic and economic sector expertise as well as a library of international trade resources. Contact the Trade Assistance Helpline at (651) 259-7498 for more information.
- With offices across the U.S. and in nearly 80 countries, the **US Commercial Service** (www.export.gov) division of the U.S. Department of Commerce utilizes its global network of trade professionals to connect US businesses with international buyers worldwide. The Minneapolis office, staffed with 6 International Trade Specialists, stands ready to assist companies with market research, export documentation, tariffs and duties, international shipping, due diligence and overseas matchmaking. These Specialists can be reached at (612)348-1638 or via email at office.minneapolis@trade.gov.
- The Minnesota Trade Office and U.S. Commercial Service can guide companies to **export financing and order insurance** offered by the Small Business Administration and the Export-Import Bank. Affordable financing is available for export marketing (including trade show and translation costs) as well as export order materials.



City of Minneapolis

Department of
Community Planning &
Economic Development—CPED

FOR COMPLETE INFORMATION,
PLEASE VISIT OUR WEB SITE:
www.ci.minneapolis.mn.us/cped

105 Fifth Avenue South
Suite 200
Minneapolis, MN 55401
612-673-5095