

Port of Portland in the Global Marketplace

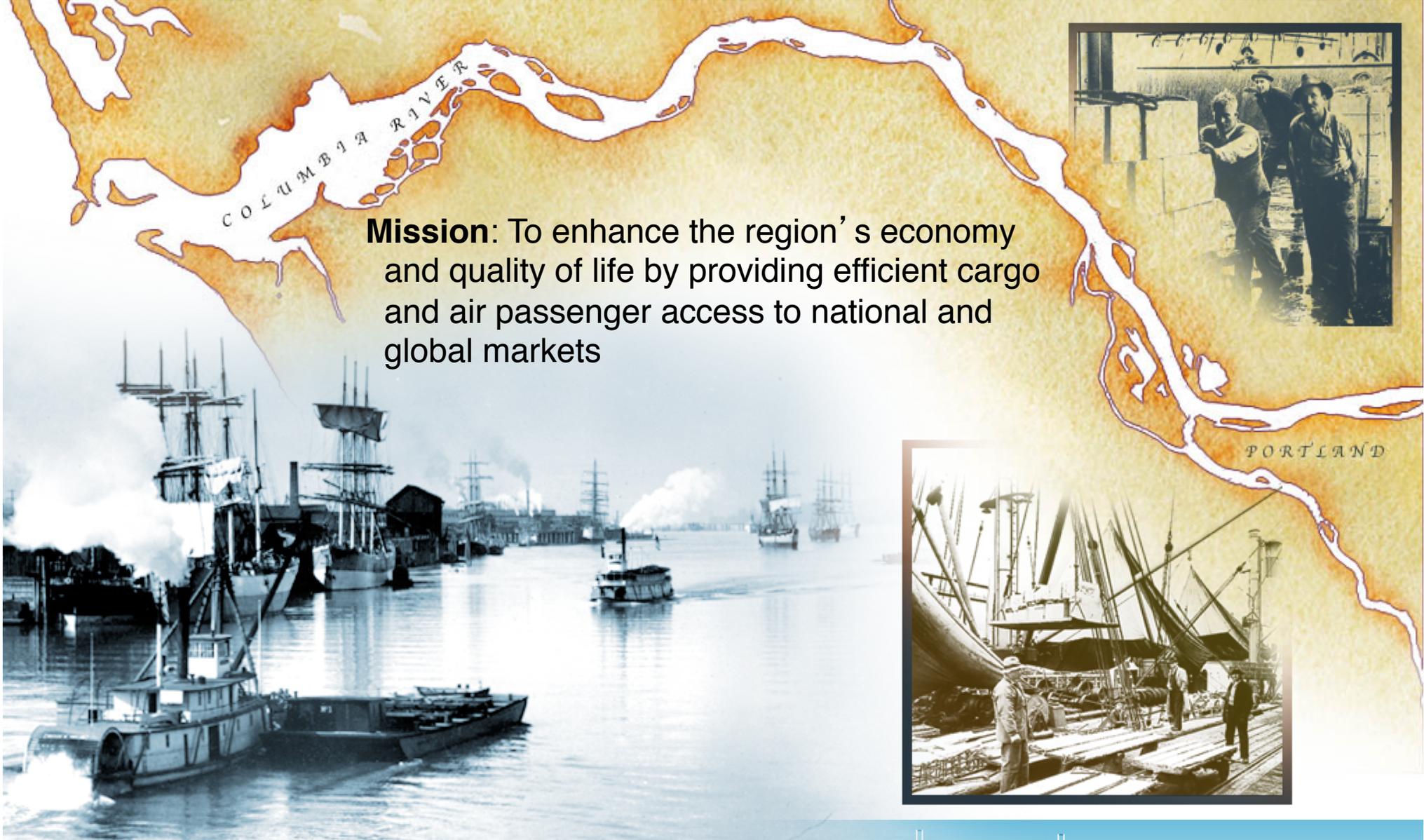
Strategies for International Competitiveness

*Oregon Board of Agriculture
November 28, 2018*

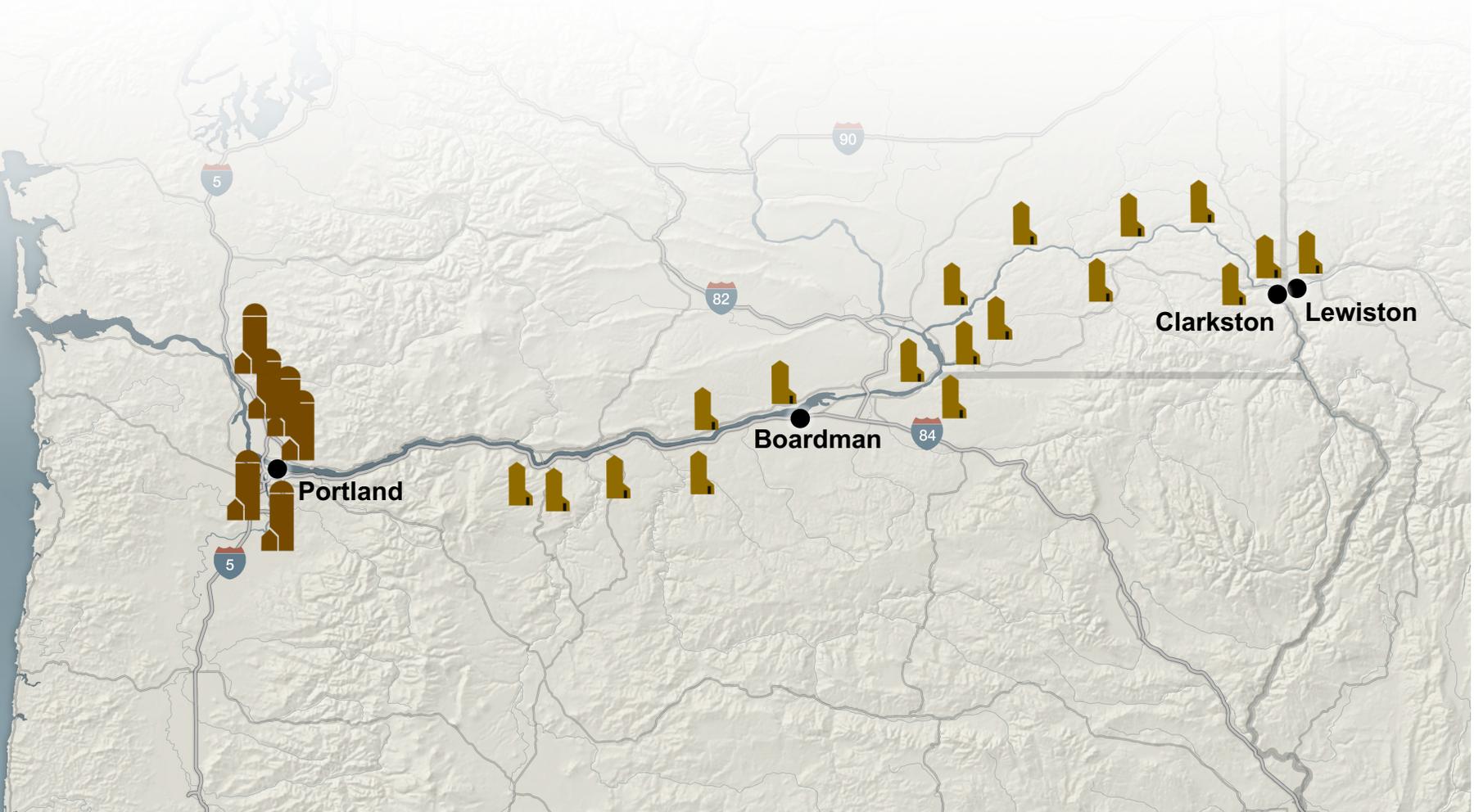


Port of Portland: Established 1891

Mission: To enhance the region's economy and quality of life by providing efficient cargo and air passenger access to national and global markets



Wheat: Our Connected Columbia/Snake River System

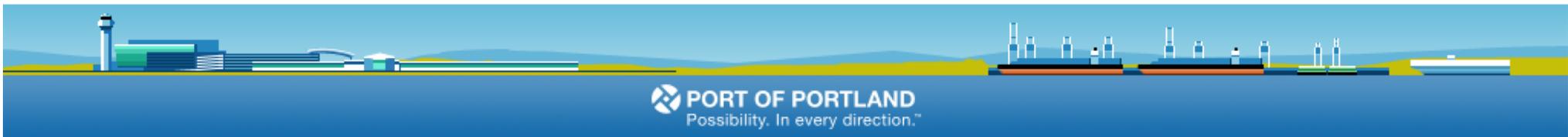


Our Regional Footprint



Our 3 Big Opportunities

1. Build an airport for the next generation
2. Revitalize marine business
3. Promote economic development and quality of life



Oregon's Economy is Tied to International Markets

- ▶ International Trade is vital part of Oregon's economy, linked to the State's agricultural, forestry, advanced manufacturing, high tech, footwear & apparel and logistics sectors.
- ▶ In 2017, Oregon businesses exported nearly \$22 billion in goods. Imports to Oregon totaled \$18.3 billion.
- ▶ We are among the most trade-dependent states in US. Over 500,000 Oregon jobs are connected to trade.



Oregon Trade Snapshot

(2017 by Value \$ millions)

Exports by Country **\$21,895**

1. China	3,933
2. Canada	2,332
3. Malaysia	2,302
4. South Korea	2,031
5. Japan	1,805
6. Vietnam	1,598
7. Taiwan	852
8. Germany	498
9. Singapore	465
10. United Kingdom	451

Exports by Product

1. Semiconductors/Electronics	6,332
2. Industrial Machinery	2,853
3. Computer Equipment	1,383
4. Oilseeds & Grains	1,164
5. Fertilizer & Ag Chemicals	682
6. Precision Instruments	658
7. Pharma/Medicines	645
8. Aerospace	517
9. Other Ag Products	421
10. Fruits, Veg & Specialty Foods	402

Imports by Country **\$18,308**

1. Canada	2,761
2. China	2,571
3. Ireland	2,480
4. Japan	2,085
5. South Korea	1,866
6. Israel	909
7. Mexico	876
8. Netherlands	751
9. Taiwan	539
10. Germany	485

Imports by Product

1. Semiconductors/Electronics	3,077
2. Industrial Machinery	1,948
3. Motor Vehicles	1,919
4. Goods for Return	1,474
5. Computer Equipment	656
6. Fertilizer & Ag Chemicals	567
7. Apparel	413
8. Pharma/Medicines	401
9. Precision Instruments	401
10. Plywood & Engineered Wood	359

Marine Shipping

- Autos: 314,000 (imports and exports)
- Mineral Bulks: 6.9 million tons
- Wheat



Cars being unloaded at the Toyota facility at T-4



Loading American-made Lincolns for shipment to Asia.



Potash at the Canpotex export facility



Grain ship at T-5

T-5 Columbia Export Terminal



PDX - The Region's Gateway to Investment and Trade

- 19.1 million passengers last year – 8.9% increase
- 16 domestic and international passenger airlines
- 80 nonstop destinations
- #1 airport in the nation according to travelers in *Travel + Leisure* Magazine for sixth consecutive year



Air Cargo

- 246,917 tons – 6.8% increase
- New nonstop service to Hong Kong

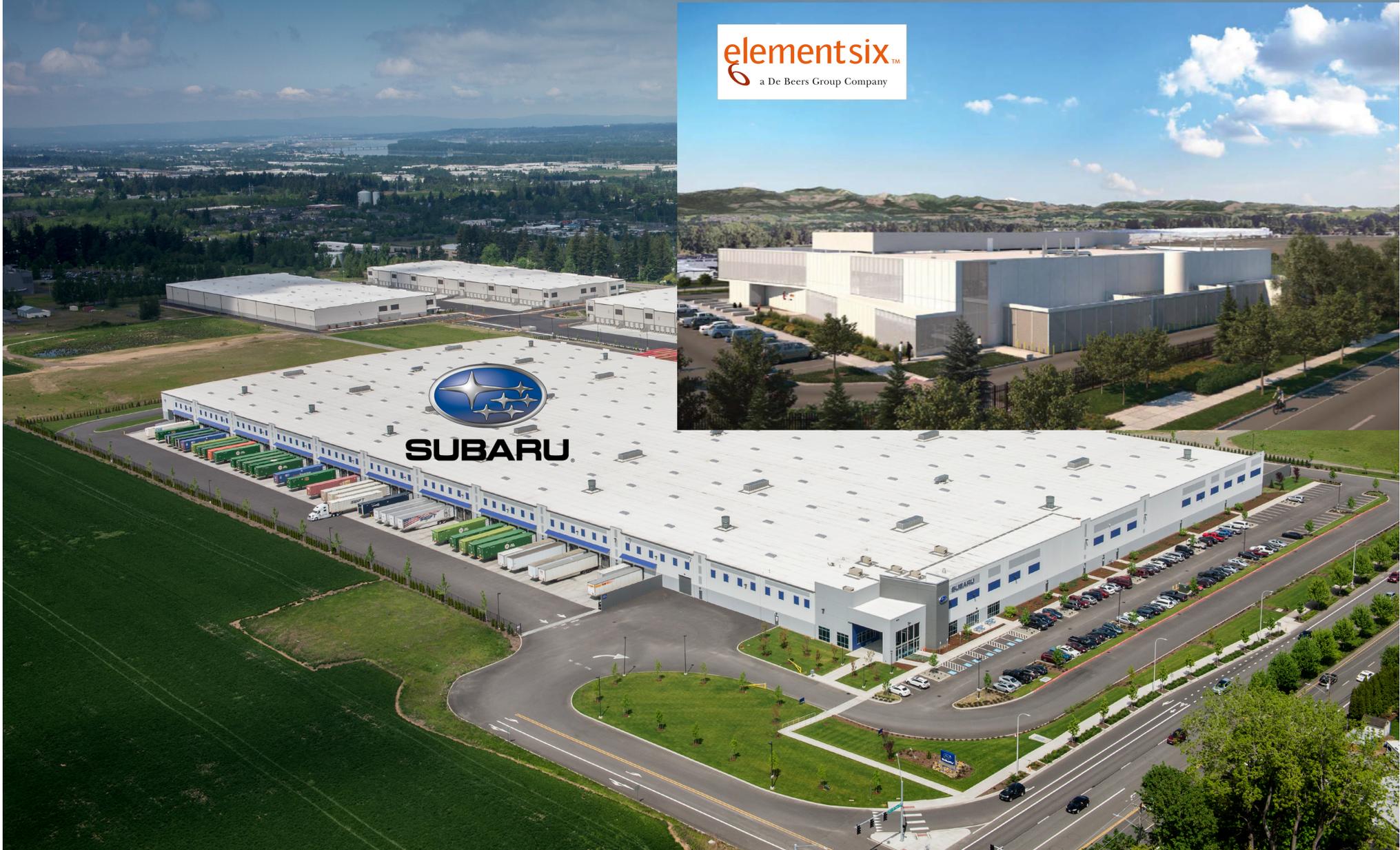


Cathay Pacific Cargo loads freight for flight to Hong Kong.

12 PDX International Nonstop Cities



Promoting Regional Prosperity



elementsix™
a De Beers Group Company



Foreign Direct Investment (FDI)

<u>FDI (by \$ value/BEA 2014)</u>	<u>(by # of firms/BEA 2015)</u>	<u>(by employment/Brookings)</u>
1. Germany \$5,457 mil	1. Japan 134	1. Germany 10,307
2. Japan \$1,266	2. UK 80	2. Japan 7,533
3. Swiss \$961	3. Canada 62	3. Switzerland 3,370
4. UK \$843	4. Germany 60	4. UK 2,590
5. Canada \$579	5. France 40	5. Canada 1,987
6. France \$242	6. Swiss 30	6. France 1,850

In 2015, 62,000 Oregonians were employed by affiliates of Foreign Investors

Leading Companies by Country

Germany

Daimler
 Adidas
 Siemens (Mentor Graphics)
 Wacker Siltronic

Japan

Ajinomoto
 Seiko Epson
 Toyota
 Subaru
 Shimadzu

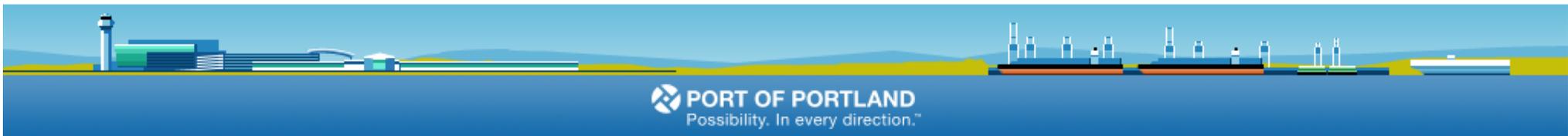
Other

Genentech (Swiss)
 Element Six (UK)



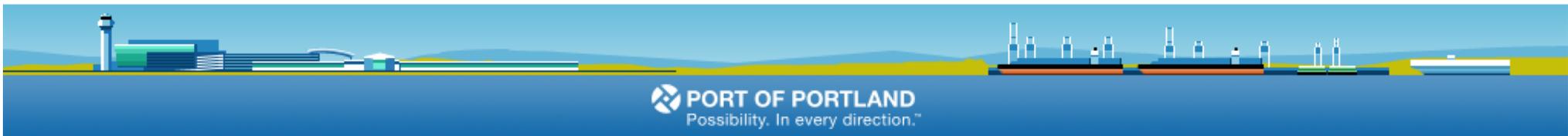
Trends in Shipping: PNW

- E-commerce: changing the way we live and the way we ship
 - Increased product customization and home delivery
 - Significant growth domestically and internationally
 - Growing channel for small companies to access global markets
 - 6 more cargo flights/day at PDX than just 18 months ago
- Trade policy



Impacts of Trade Policy

- PNW states are some of the most trade-dependent in the nation
- Local agriculture exports impacted by trade policy
 - Wheat, soybeans, cherries, hazelnuts
 - Other seasonal products just now in harvest
- Exporters/producers have to find new markets, face lower profit margins
- Concerns about our local high tech sector and the impact of U.S. tariffs on high tech imports
- Engagement and understanding on trade is the answer



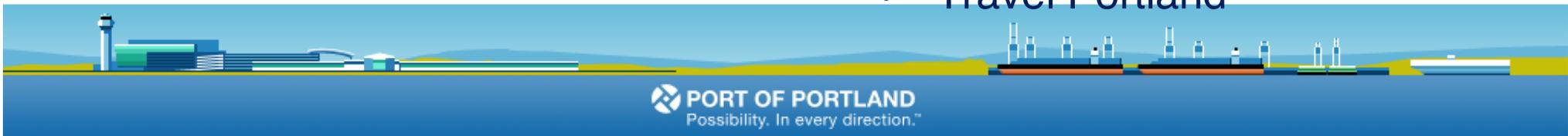
Port's International Team Structure

Internal Implementation Team

- Executive
- Commercial
 - Marine Biz Development
 - Air Service Development
 - Industrial Properties
 - Port Overseas Offices
 - Japan, Korea, Taiwan*
 - China, Hong Kong*
- Public Affairs
 - Government Relations
 - Strategy & Research

External Partners

- Federal
 - Congressional Delegation
 - US Dept of Commerce/ITA
 - US Dept of Agriculture/FAS
- State
 - Governor's Office
 - Business Oregon
 - Oregon Dept of Agriculture
 - Travel Oregon
- Regional
 - Greater Portland Inc (GPI)
 - OEDA/City & County EcDev
 - Travel Portland



Port's International Trade and Investment Strategy

- **Grow the Market for Cargo and Passenger Service**
 - Stabilize and grow the region's marine cargo shipping options
 - Implement the recommendations of T6 Task Force
 - Encourage continued growth of the auto import/export business
 - Support grain, agricultural commodity and processed food sector
 - Enhance the bulk mineral sector
 - Support the growth of air cargo and international passenger business
 - Focus efforts on Cathay Pacific service to HKG
 - Support existing non-stop passenger routes and position for growth
 - Leverage Port industrial land assets to grow the cargo base
- **Promote the importance of Trade and Transportation to the Regional Economy**
 - Advocate for and develop policies at the federal, state & local level
- **Partner in Foreign Direct Investment recruitment and retention activities**
 - Proactively partner with Business Oregon and Greater Portland Inc
 - Administer Foreign Trade Zone (FTZ#45) for the benefit of businesses





Questions?

Advice?

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