



FLORIDA INTERNATIONAL UNIVERSITY
COLLEGE OF BUSINESS ADMINISTRATION



International Trade Promotion by Major American Cities: *A Briefing Report*

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Benchmarking: The Jay Malina International Trade Consortium

➤ *ITC Mission:*

- Promote two-way trade through Miami-Dade County

➤ *Objective of study:*

- Investigate, analyze, and report on the international trade promotion efforts of trade promotion efforts of other major American cities.

➤ *Comparison cities selected:*

- Atlanta, Baltimore, Houston, Philadelphia, Seattle.

➤ *Purpose of the study:*

- Allow the ITC to
 - (a) gain insights into the organization, structure, plans, and operations of other metropolitan areas' trade promotion efforts; and
 - (b) utilize the information for benchmarking purposes.



Trade Promotion and American Cities

- International business success—local factors most important.
- State and local government—key forces in promoting human capital.
- Local strategies to increase international business activities:
 - (1) increasing exports > jobs and wages or
 - (2) encouraging FDI as an alternative mechanism for job creation
- Export promotion vs. investment promotion...former yields larger impact.
- Research also shows Sister City and cultural programs yield little economic pay-out but do produce other important value-added benefits
- Possessing a seaport no longer assures a sustainable competitive advantage in trade.



Research Design and Methodology

- Sample of 5 large metropolitan trade dependent cities
- Data gathering: secondary data (hard copies and online); comprehensive survey questionnaire; telephone interviews; structured personal interviews
- Collation and alignment of research findings in comparative chart format (see final report)



The Purpose, Organization, and Operation of Municipal Trade Promotion Authorities

- Urban international business promotion....a growing reality
- Multiple models....of international trade promotion
- Forms are a function of history and tradition, administration, and politics



- **General mission and thrust**.....mission and goals: liaison, branding city, access to services/facilitation, promotion and awareness, fostering a favorable business climate.
 - **Activities:** information/education, facilitation and contacts, trade missions
 - **Strengths:** quality of people, programs, coordination abilities
 - **Weaknesses and challenges:** limited funding, overlap, competition from other cities
 - **Advantages:** infrastructure, strong civic leadership, location, quality of life
- **Structure and staffing**..... CIFAL and GHP private, ITC and Seattle mixed...all others are under city mayor's office—Atlanta, Houston, Baltimore, Philadelphia.
- **Board**.....varies from none (Baltimore, Philadelphia) to 130 in Houston—but GHP's mandate encompasses all economic development.



- **Financing**.....varies but for the most part counties and cities with or without private support.
- **Coordination**Collaboration, information sharing, alliances—some via formal board meetings.
- **Community Coordination**....Uniform across cities.
- **Promotion Activities**Houston and Seattle are the most advanced with their export promotion tools.
- **Trade Promotion Missions**....Destinations based on clear selection criteria: top trading partners, based on demand, ad hoc committees (ITC)—all to avoid junkets. Seattle: advanced planning missions....All break even or show a small profit.



Principal Findings

1. Miami-Dade County possesses the best developed trade promotion authority as a single-focused entity; Seattle as an agency that also includes international investment; and Houston, via the Greater Houston Partnership, as the most outstanding economic development agency
2. No single model of trade promotion is superior
3. Public-private cooperation and coordination is essential
4. Program objectives must be clearly defined and measurable and exclude job creation
5. Trade agencies should avoid overlap and duplication with other private and public entities



Principal Findings (Cont.)

6. Narrow agenda going deep beats broad agenda treated superficially
7. Both successes and shortcomings must be communicated both internally and externally
8. Trade agencies must satisfy multiple constituencies to be effective
9. Management efficiency must be pursued incessantly
10. Overseers of trade promotion agencies must have realistic expectations
11. Candidate countries for outbound trade missions must be carefully screened and justified
12. Environment for competition among US cities will intensify



Recommendations for ITC

- 1) Continue to undertake self-examination
- 2) Readjust where necessary the strategic and operating plans
- 3) Wherever possible, attempt to tie more closely international business objectives to Sister City visits
- 4) Facilitate or help facilitate the coordination with various international groups in the County and State
- 5) Improve the ITC's brand, outreach/education to the media and various constituencies