

The National Export Initiative: Doubling Exports

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1. Doubling of Exports

- How realistic? It's a “goal”
- What are the main factors behind export growth?

2. Exports and the number of jobs

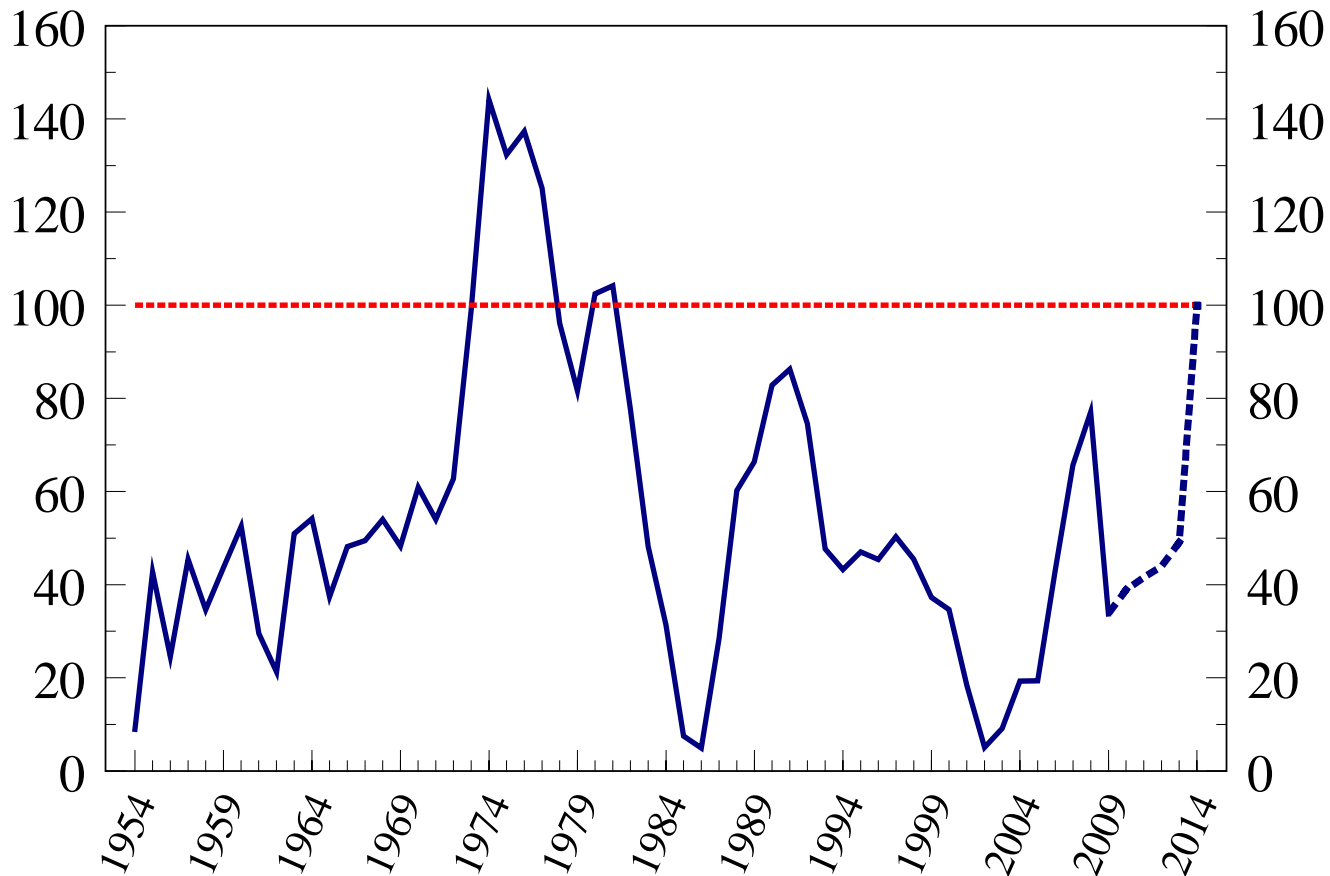
- Need to increase exports just to tread water
- 2 million job estimate is conservative

3. Exports and the quality of jobs

- Robust findings on exporting/wages, “good jobs”

1. Doubling Exports

Exports of Goods and Services
Percent change from five years ago



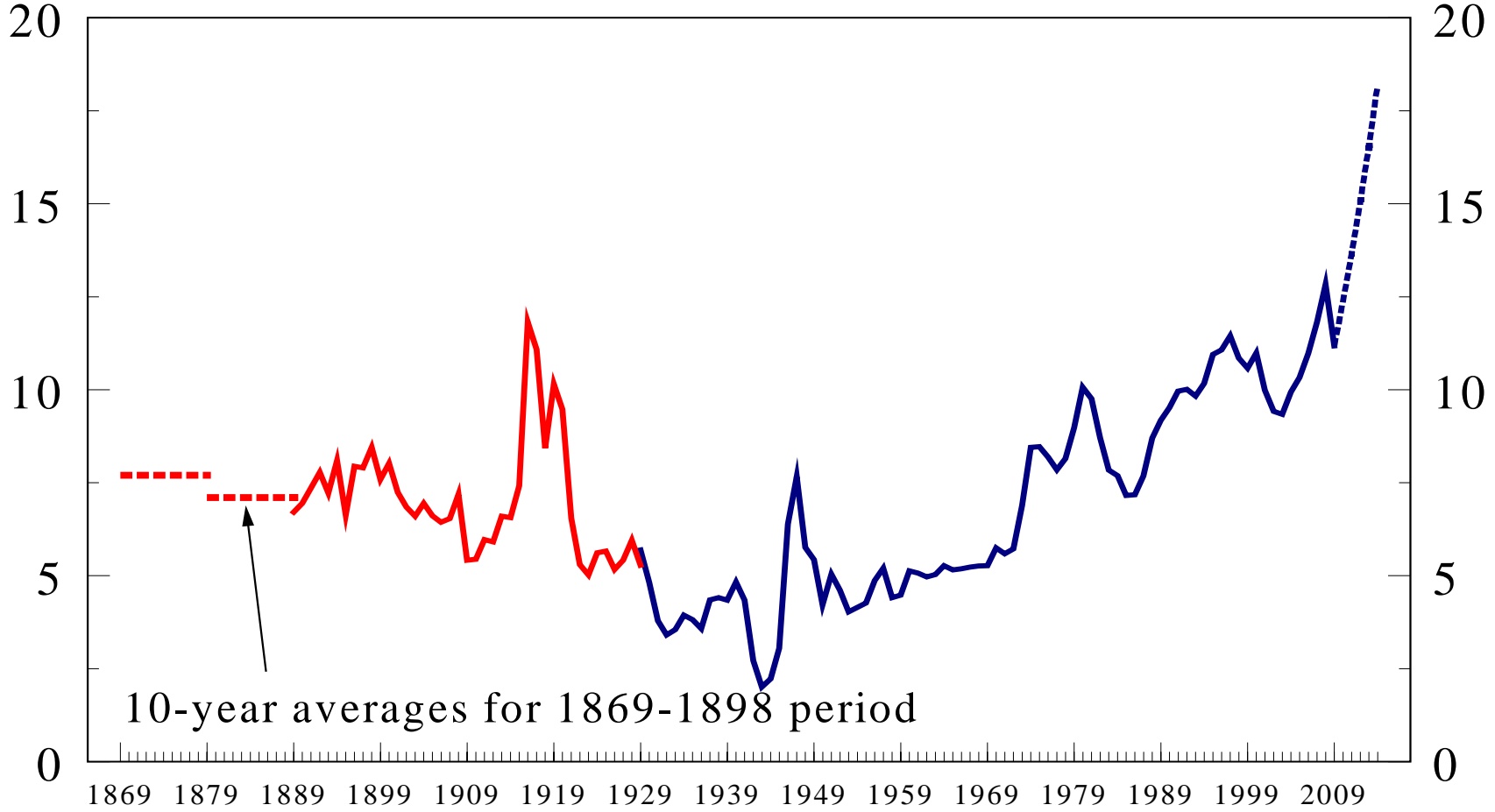
1. Doubling Exports

The NEI stated that the goal was for exports to double over the next 5 years.

- Refers to “nominal” exports
- The base year for doubling is 2009, a year in which exports fell 14.4 percent, so a much lower base
- What does “science” say?
 - Results range from 60% - 90% growth
 - So “doubling” is a “goal”

1. Doubling of exports

Exports of Goods and Services
Percent of GDP (GNP prior to 1929)

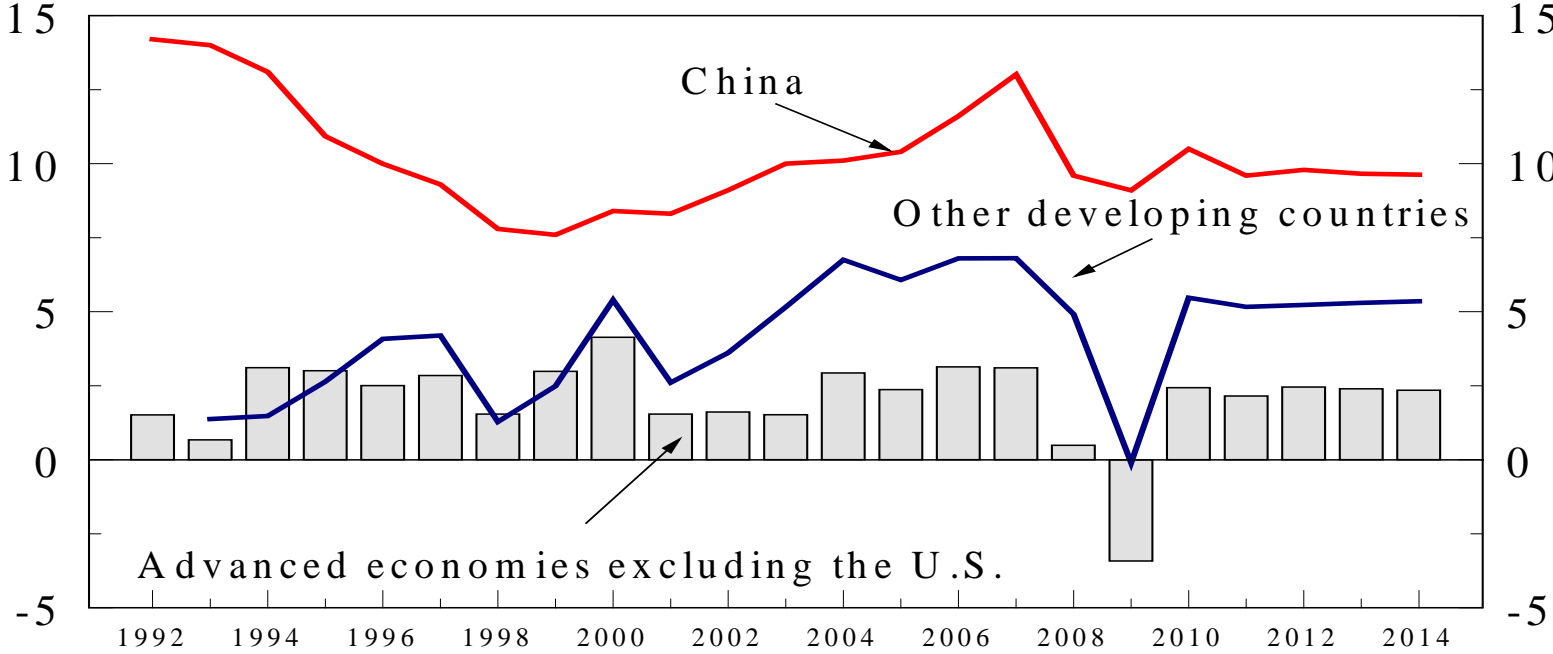


1. Doubling of Exports: Important factors

Foreign growth, exchange rates, and government actions

Real GDP Growth in Foreign Countries

Percent change from year-ago level



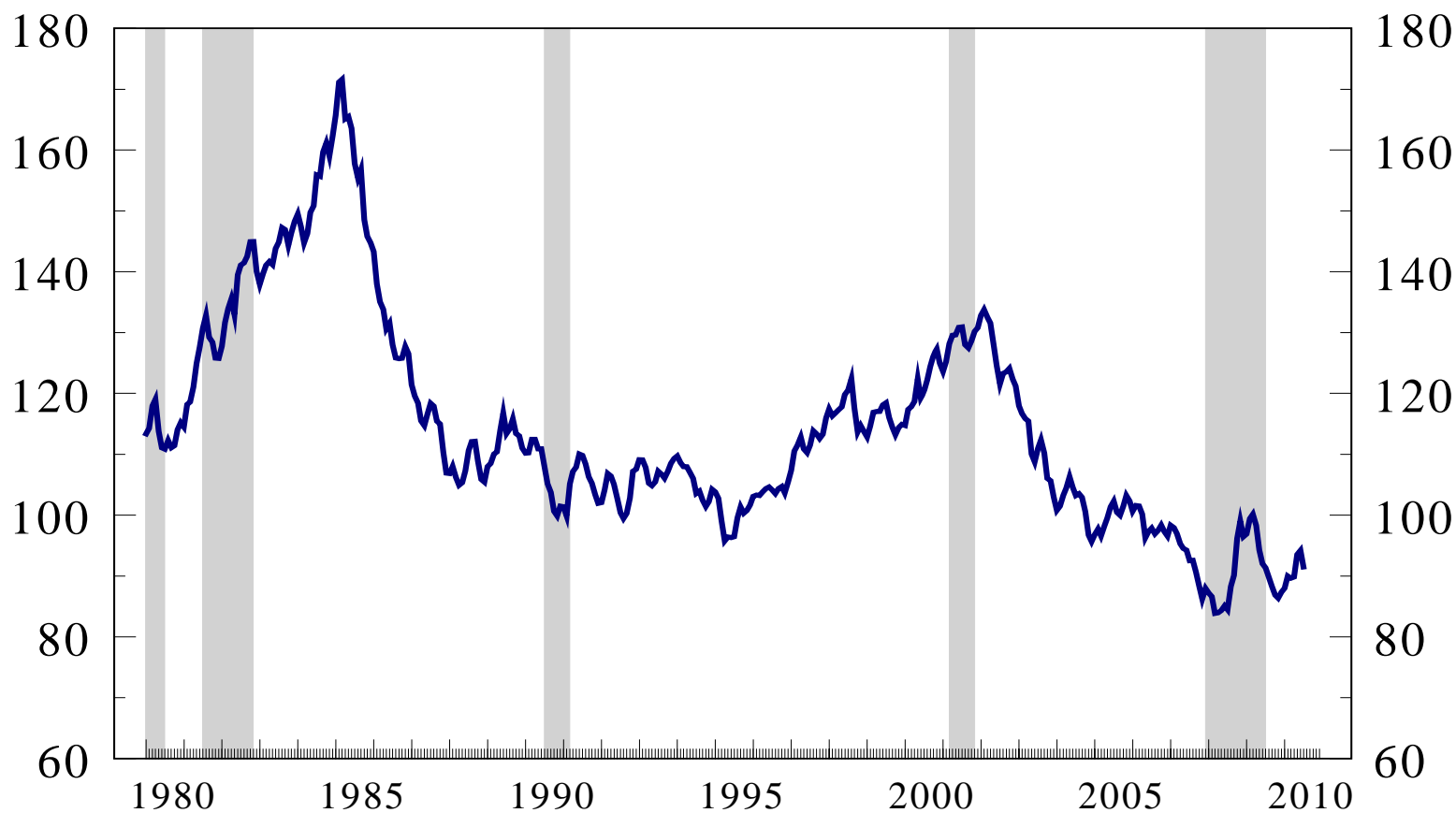
2010 to 2014 are forecasts by IMF (July 2010)

- On average, average growth expected
- Risks

1. Doubling of Exports: Exchange Rates

Trade-weighted Value of the Dollar

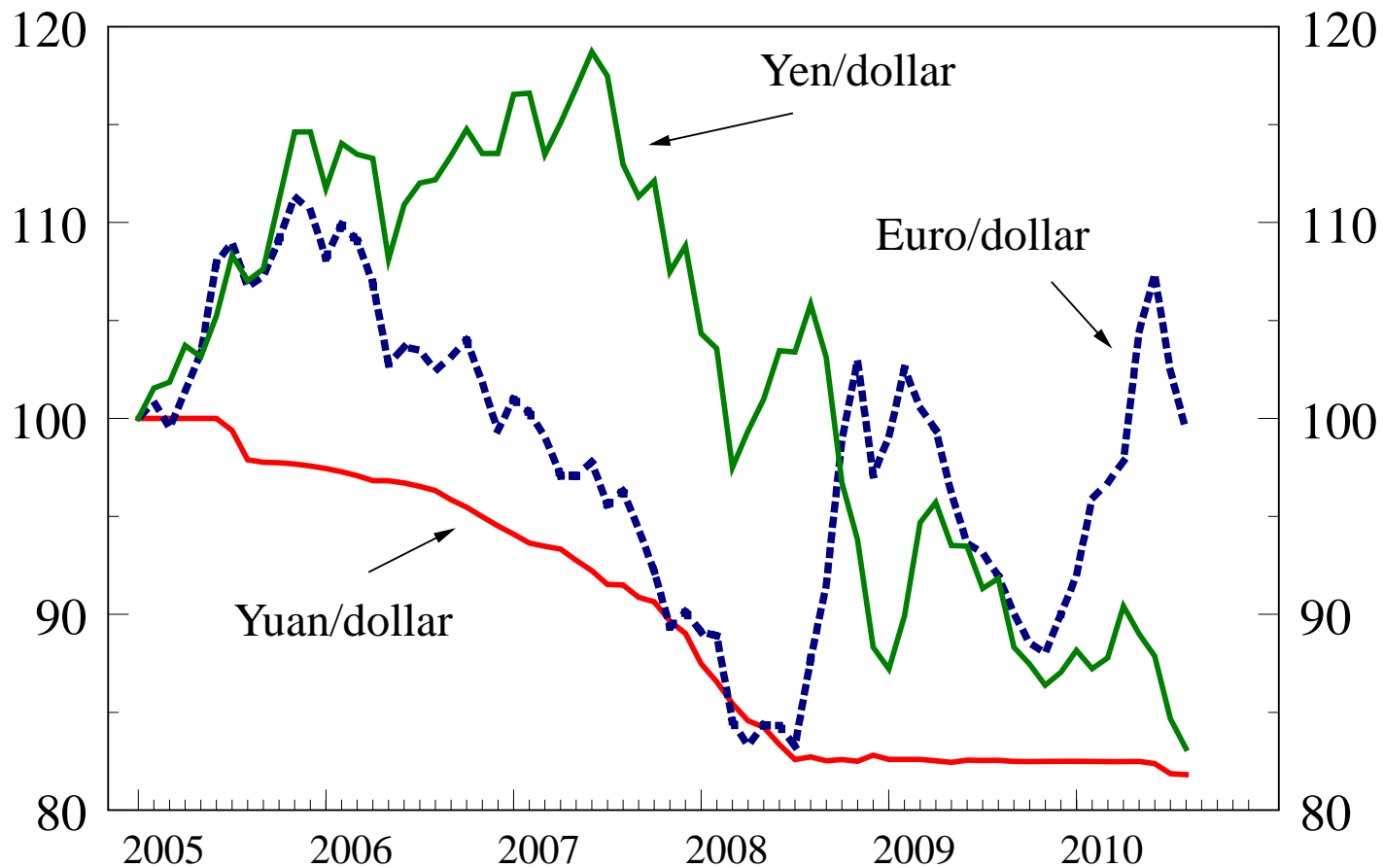
Relative to major currencies, index 2005 = 100



Shaded area denotes recession. End of current recession tentatively placed in July 2009.

1. Doubling of Exports: Exchange Rates

Exchange Rates
Index January 2005 = 100



1. Doubling of Exports: Government actions

Direct assistance to firms

- Help address non-tariff barriers
- Help reduce the fixed costs of exporting
 - Information
- Increases in the budget of Departments of Commerce and Agriculture; Ex-Im Bank; SBA's export programs

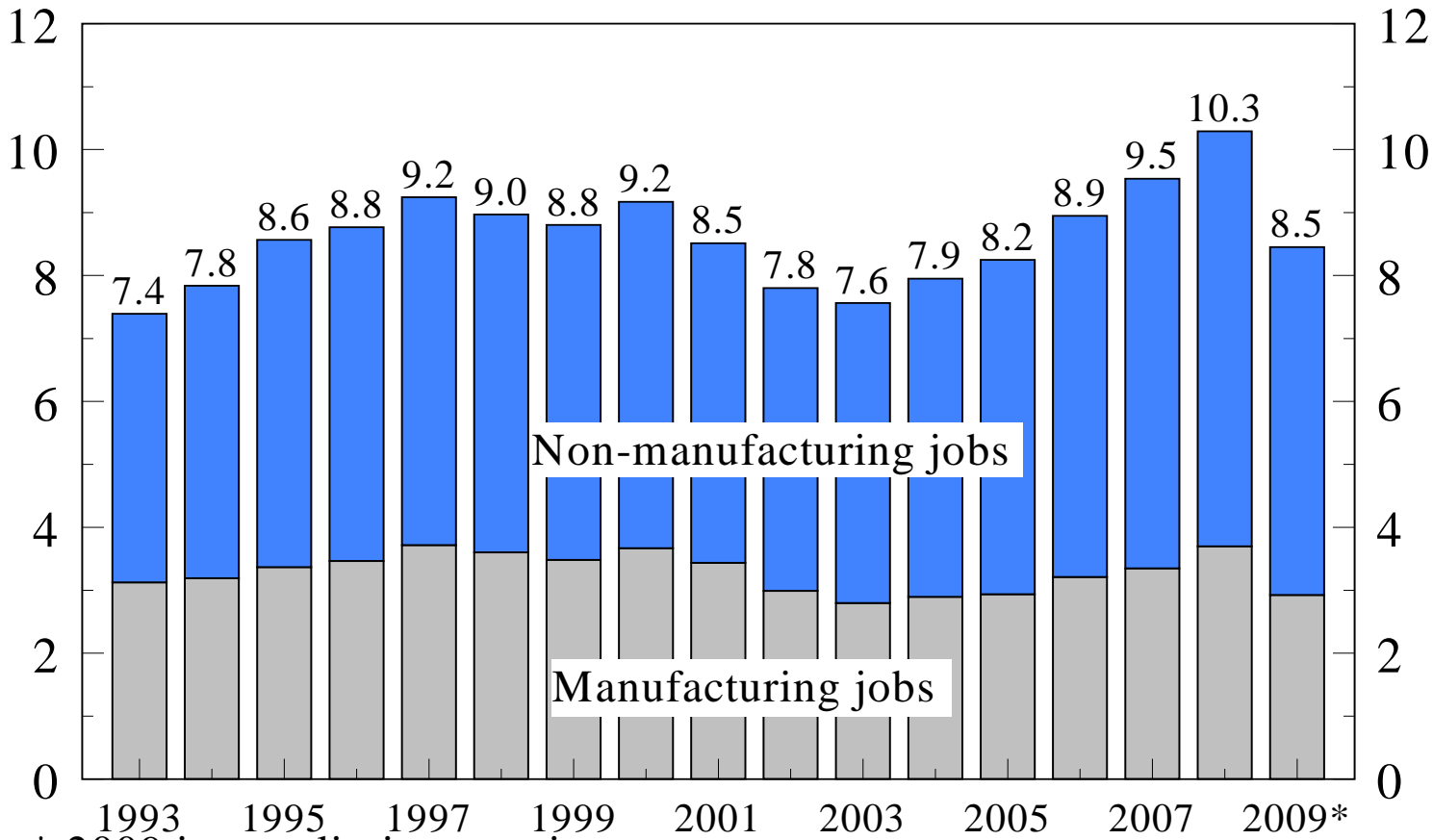
Promoting a better export environment

- Messaging to public
- Reduce formal trade barriers

2. Exports and the Number of Jobs

Jobs Supported by Exports of Goods and Services

Millions

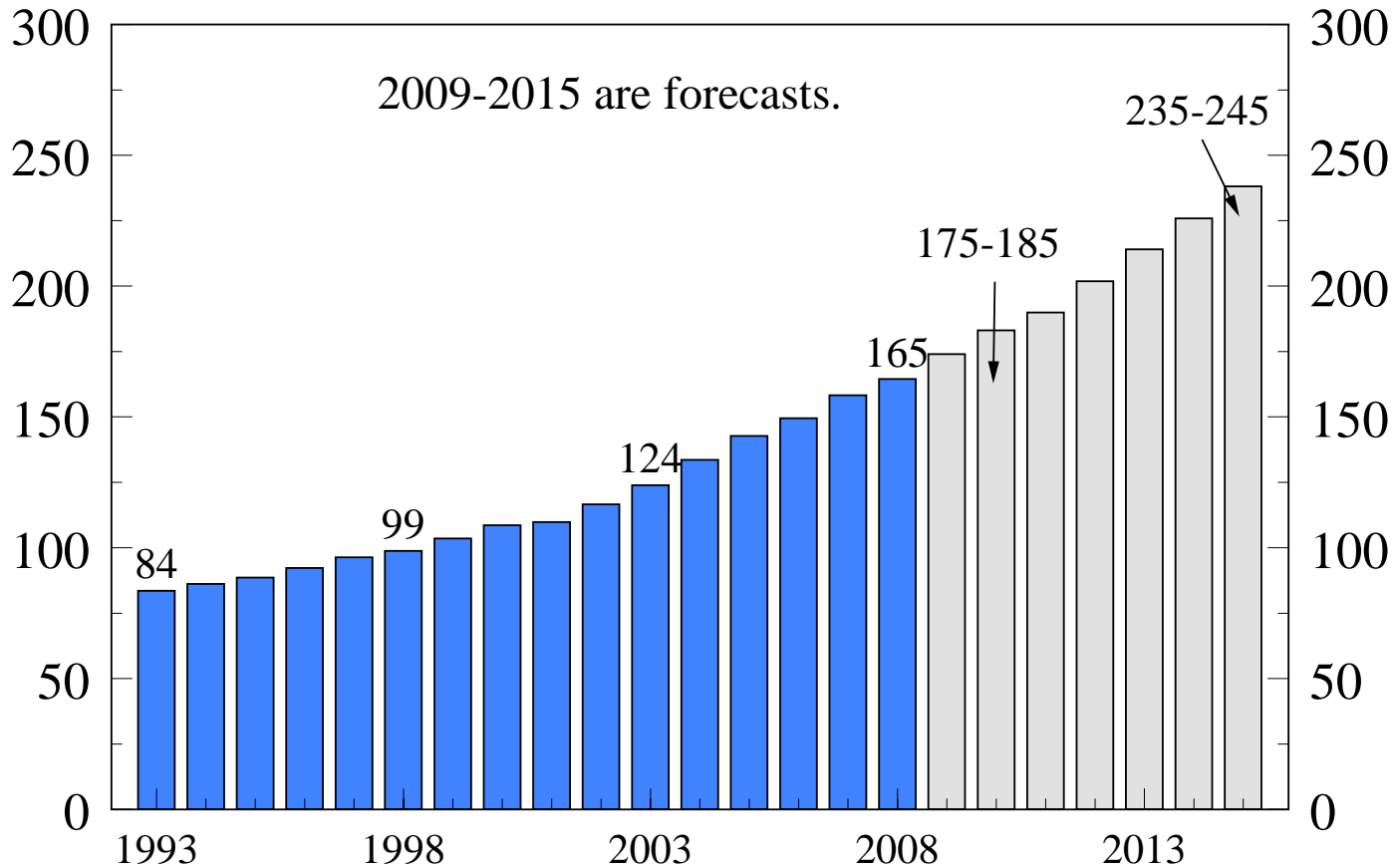


* 2009 is a preliminary estimate.

2. Exports and the Number of Jobs

Value of Exports per Job: Total Exports

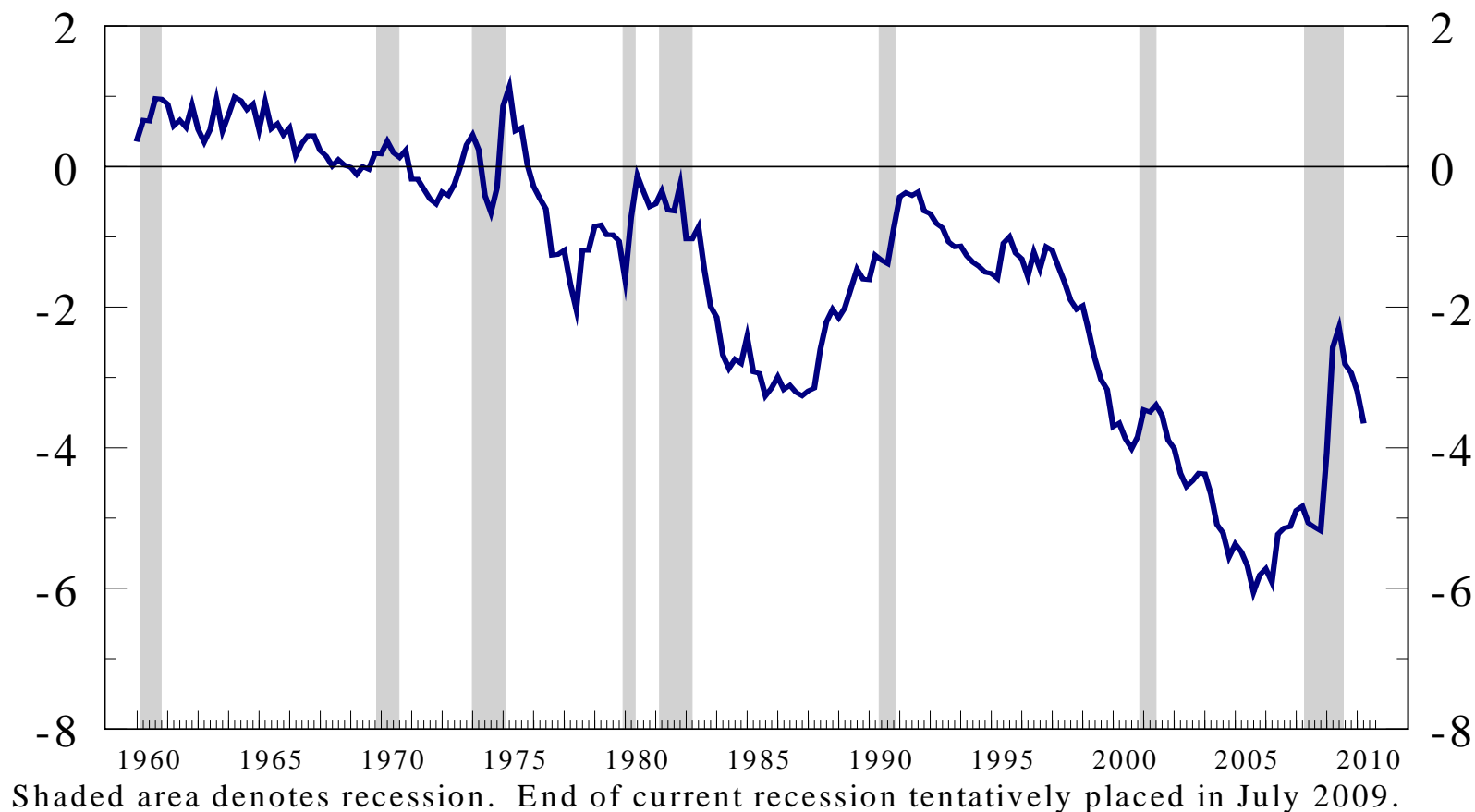
Thousands of dollars



Estimates compiled by Office of the Chief Economist

2. Exports and the Number of Jobs: Don't forget about imports

**U.S. Current Account Balance
Relative to GDP**



3. Exports and the quality of jobs

What is a “good job”? Often defined by wages

“Exporter Wage Premium”

- Manufacturing plants that directly export pay about 17 percent higher wages than plants that do not directly export.
- Workers employed in export-intensive manufacturing industries pay about 17 percent more compared to the average for all persons employed in manufacturing.
- Estimates from a different source suggest a 13 percent premium.