Economic Recovery and International Trade

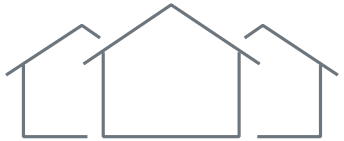
Chris Green

ASSISTANT DIRECTOR, OFFICE ECONOMIC DEVELOPMENT & COMPETITIVENESS

PRESENTATION TO SENATE FIEDT: DECEMBER 1, 2020

Washington State Department of Commerce

COVID response and recovery funding through Commerce



HOUSING

$252M



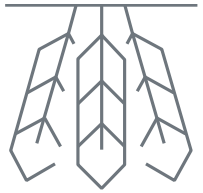
BUSINESS

$130M



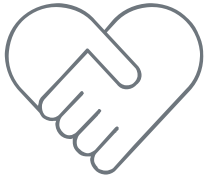
LOCAL GOV

$457M



TRIBES

$30M



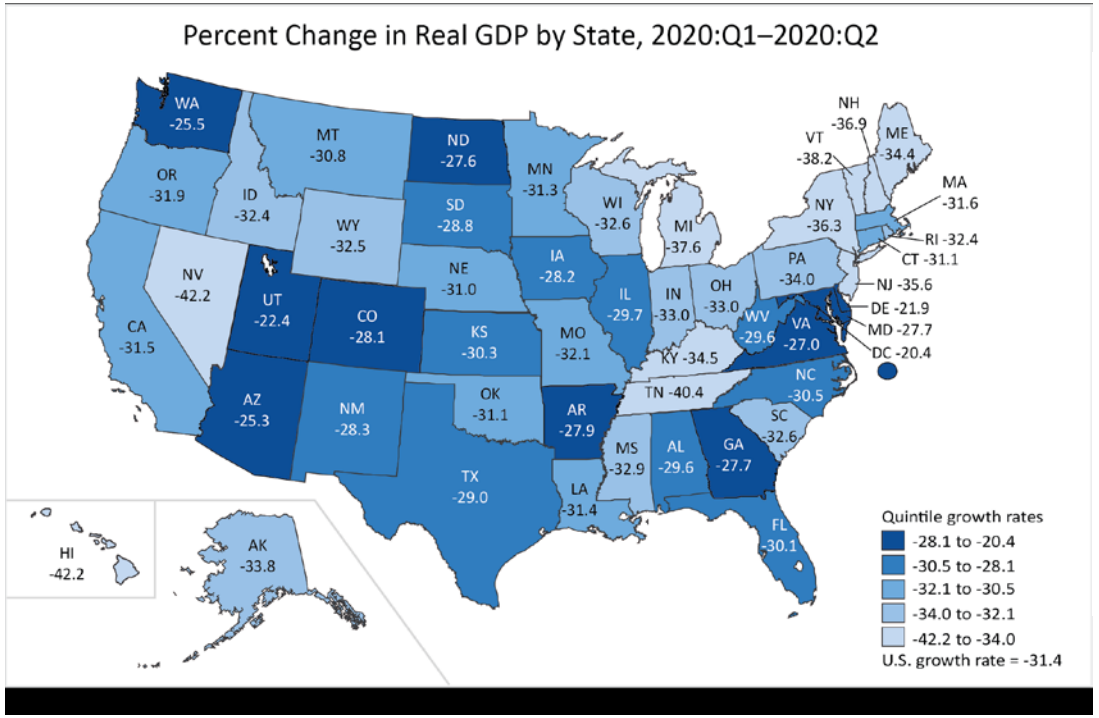
NONPROFITS

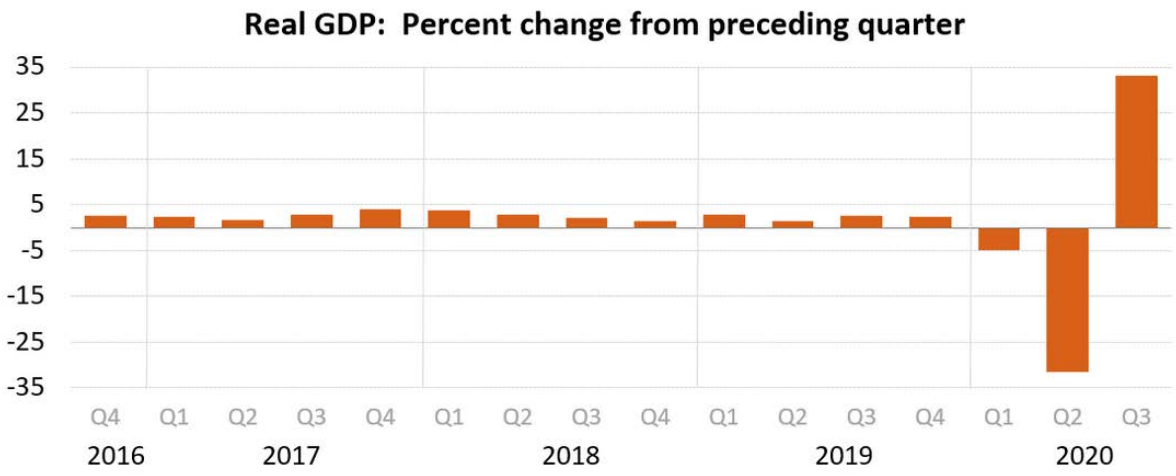
$20M

Total to date: >$880M

Economic Recovery and Dashboard

State of the US economy





U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates

NEW: Economic Recovery Dashboard

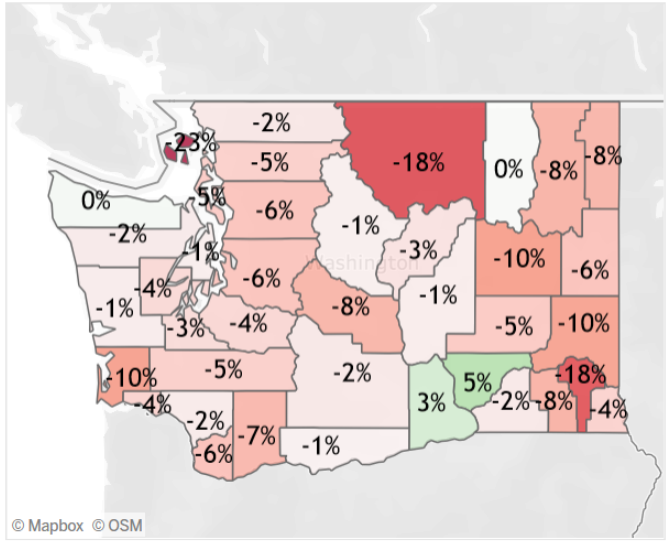
Measuring the impact of COVID-19 and tracking our recovery

Economic Recovery Dashboard

Best viewed in full screen

		Current Level	% Change[1]	Absolute Change[1]	Trend
Employment Detailed views	Total Employment	3,617K	-5% ▼	-176K	
	Unemployment Rate[4]	7.4%	3.7% ▲		
	Job Postings		-20% ▼		
Business Detailed views	Taxable Retail Sales	$13,746M	-12% ▼	-$1,821M	
	Taxable Business Income	$55.51B	-8% ▼	-$4.58B	
	Export Volume	$3.29B	-21% ▼	-$0.85B	
Support Programs Detailed views	Basic Food[2] Participants	949.1K	17% ▲	139.9K	
	TANF[3] Participants	70.8K	30% ▲	16.3K	
Consumer Behavior Detailed views	Credit Card Spend		-2% ▼		
	Time Outside Home		-11% ▼		

Year-over-year employment change by county



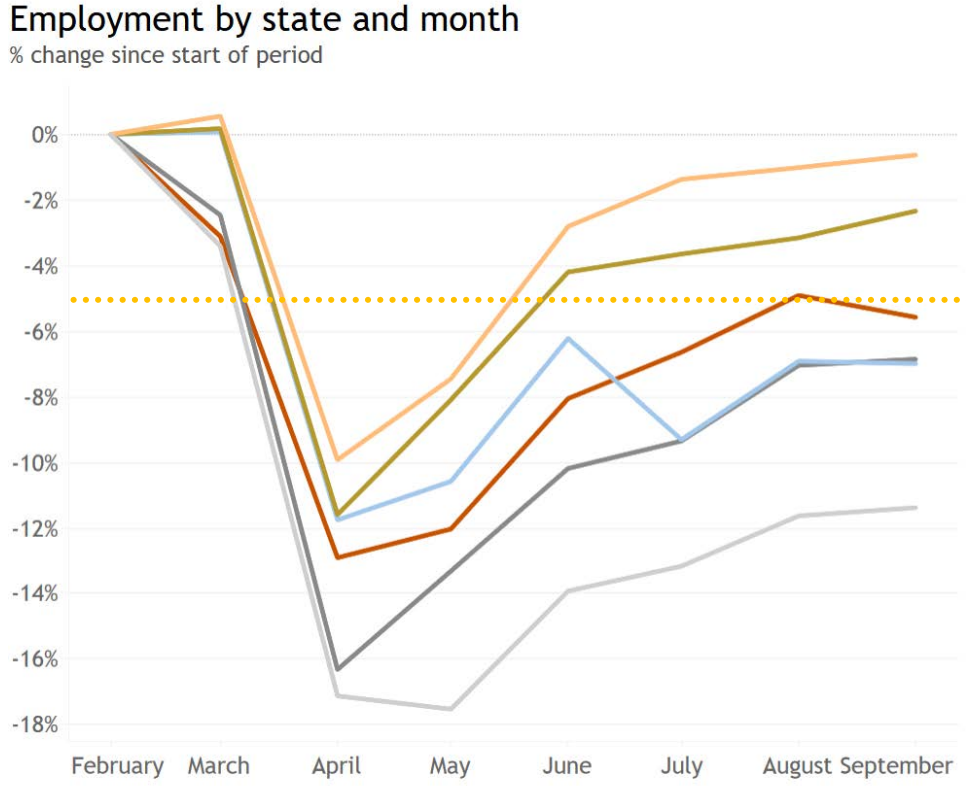
Click a county to view county-specific statistics in the table to the left - click in the gray area outside Washington to clear the filter

https://www.commerce.wa.gov/datadashboard/#:~:text=Economic%20Recovery%20Dashboard,COVID%2D19%20across%20our%20state.

The economic impact of COVID-19 is unprecedented

Employment declines greater than the deepest point of the Great Recession

Dashboard screenshot: % change in total employment in September 2020 vs. January 2020 by geography (seasonally adjusted)



WA's deepest point in Great Recession (Aug 2008 to May 2011)

Idaho (-1%)

Montana (-2%)

Washington (-6%)

Oregon (-7%)

US (-7%)

California (-11%)

Impact is deep

WA employment rates are steadily improving but the drop in total employment is still at Great Recession levels

WA tracking with other states

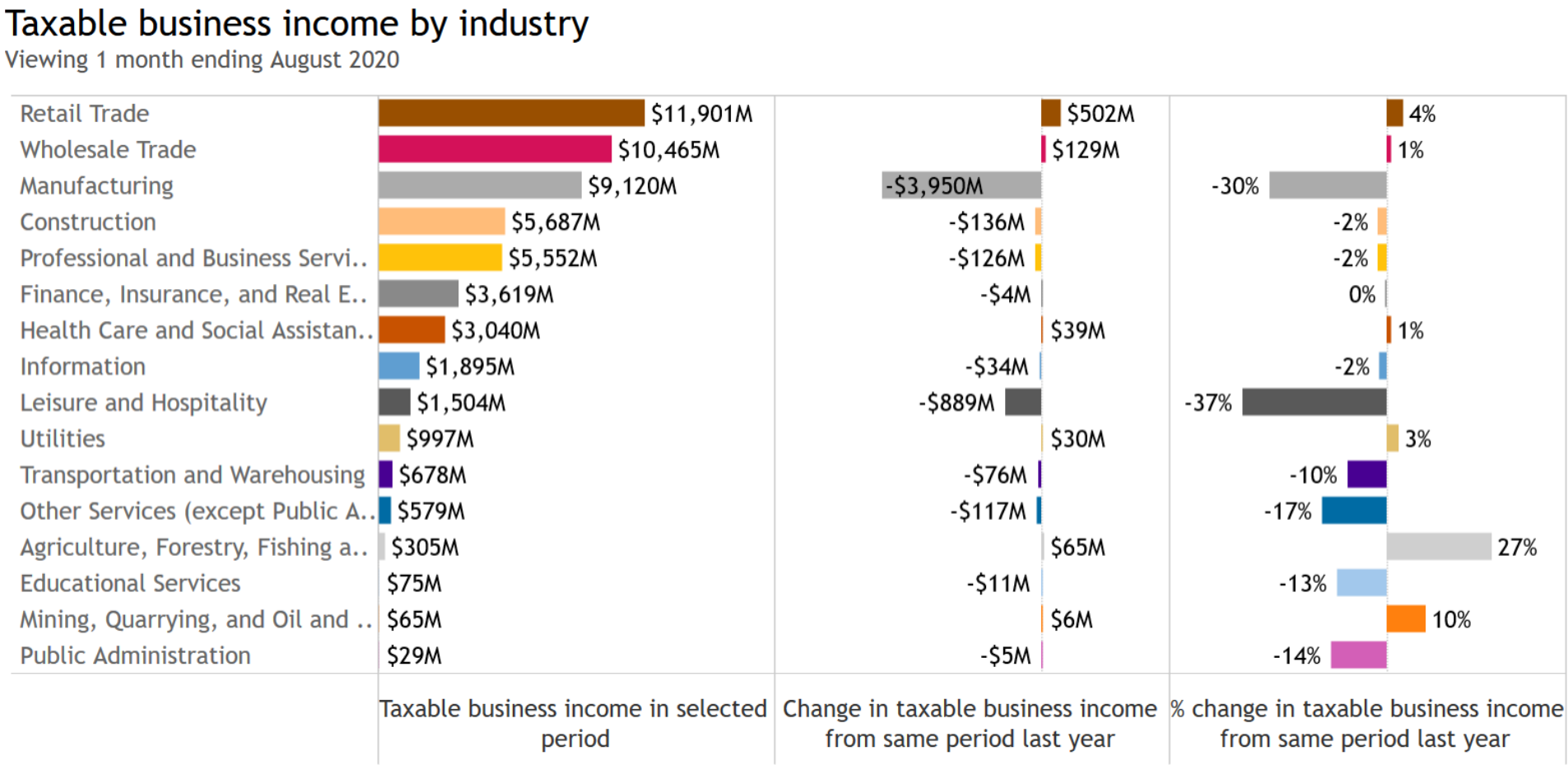
WA curve shaped similarly to other Western states with improved economic outlook through end of summer 2020

Significant uncertainty around near-term recovery

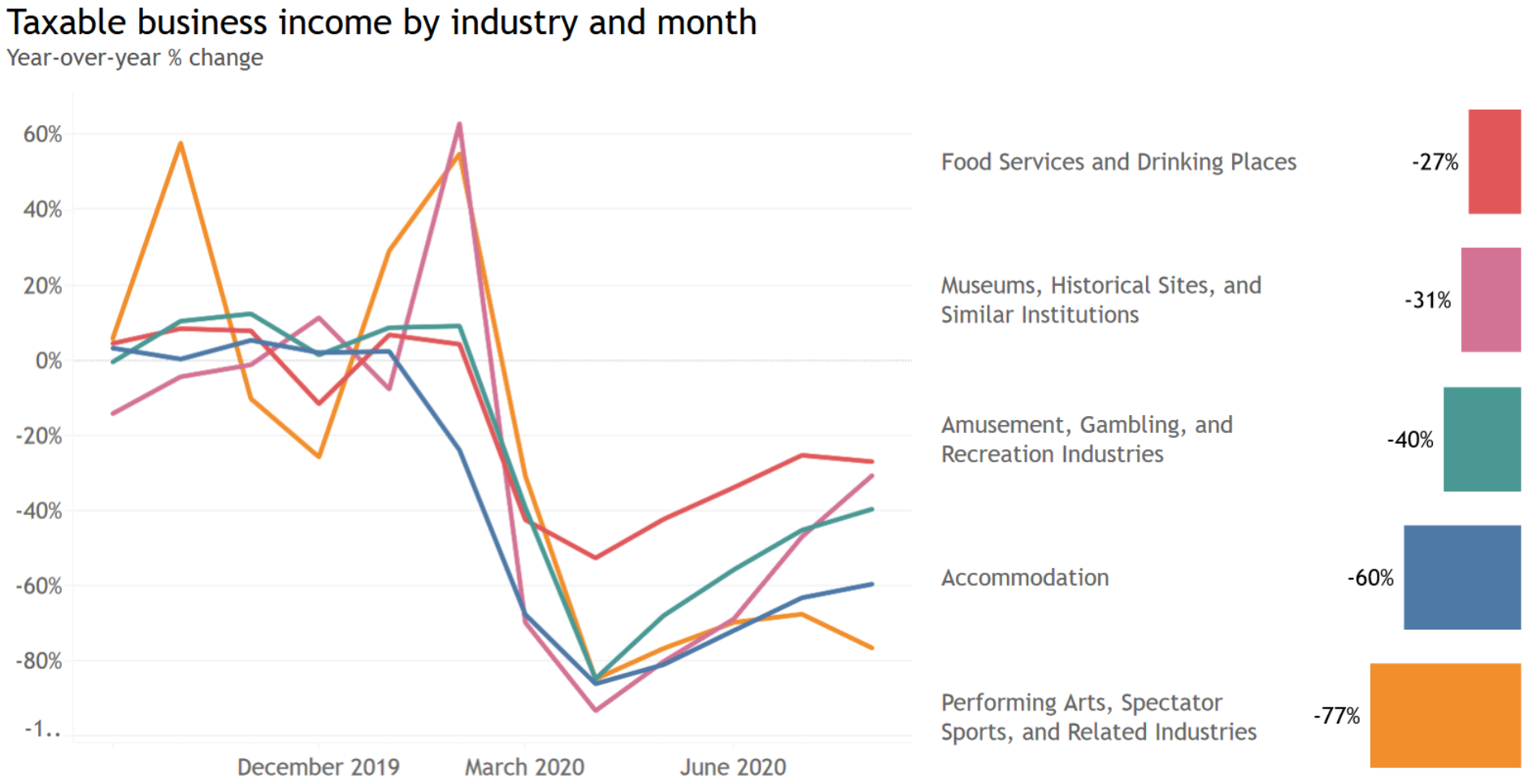
Disease trajectory may change in the fall and winter and additional federal support has not been provided

Source: Local Area Unemployment Statistics (LAUS) – Seasonally Adjusted, Bureau of Labor Statistics (Includes all workers in the labor force)

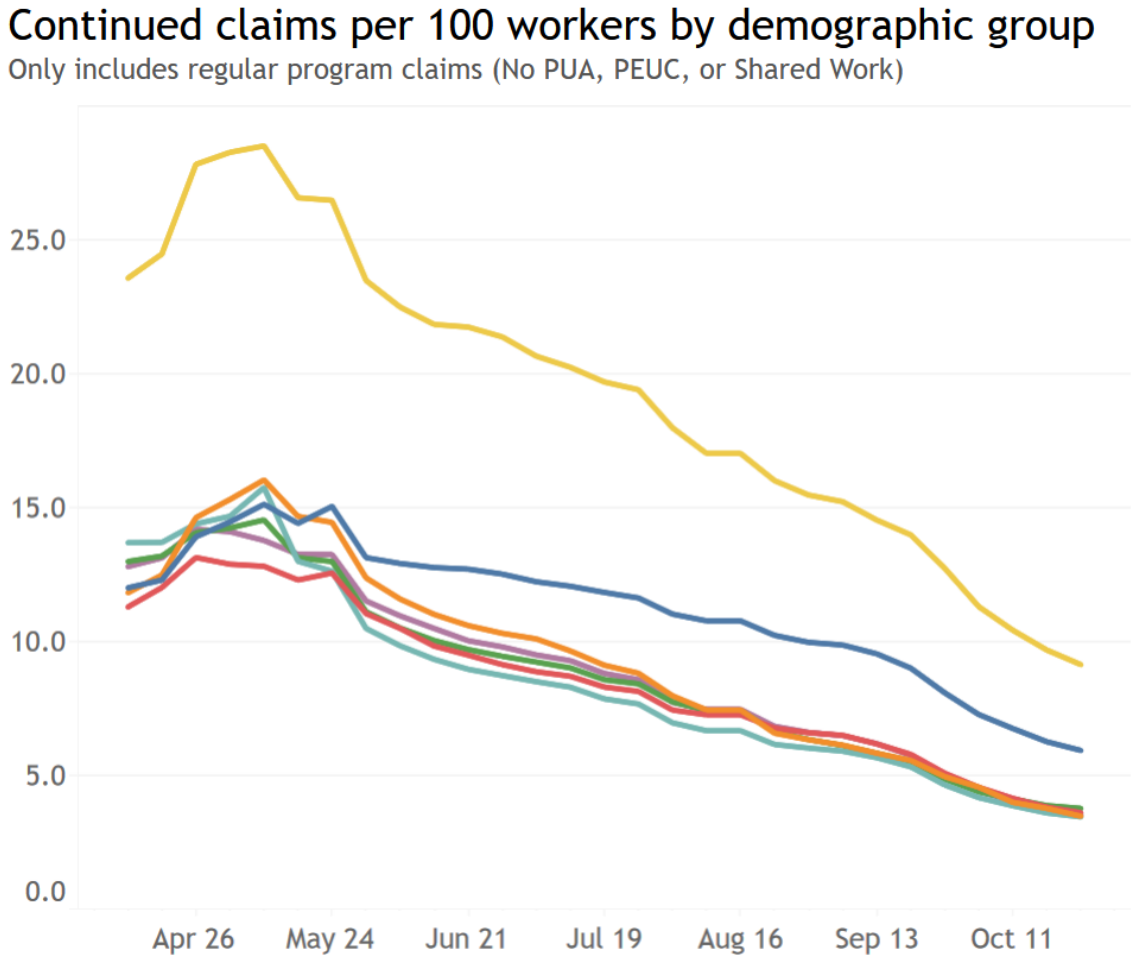
Trends: Industry sectors

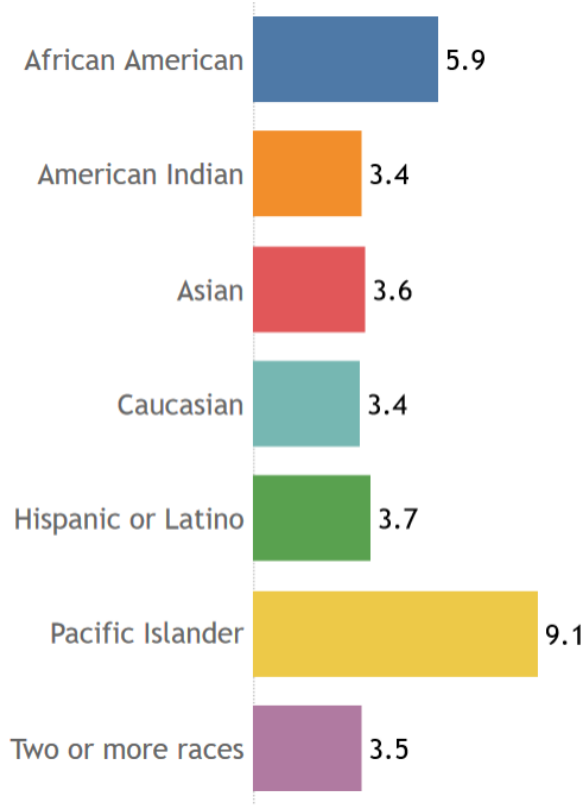


Trends: Regional (Leisure & Hospitality)



Trends: Demographic impacts





Economic Recovery Focus

EQUITY: Ensure equitable access to resources for underserved entrepreneurs and communities

SMALL BUSINESS: Assist small businesses in retooling and pivoting for safe and successful operations

HIGH-IMPACT INVESTMENTS: Advocate for investment in innovation, sustainability, and resilience

DATA: Track and promote recovery in jobs and economic activity by sector, industry, and region

Safe Start and Recovery Transition

$80M – Working WA Small Business Emergency Grants

- Round 1 - $10M
- Round 2 - $20M
- Round 3 - $50M

$18M – Small Business Resiliency Program

$30M – Recovery Loan Program

$ 2M – Small Business Technical Assistance Network



Investments to support equitable economic growth and strong communities

Broadband

Housing

Support for small businesses

Infrastructure & Clean Energy Transformation

Child care

Workforce

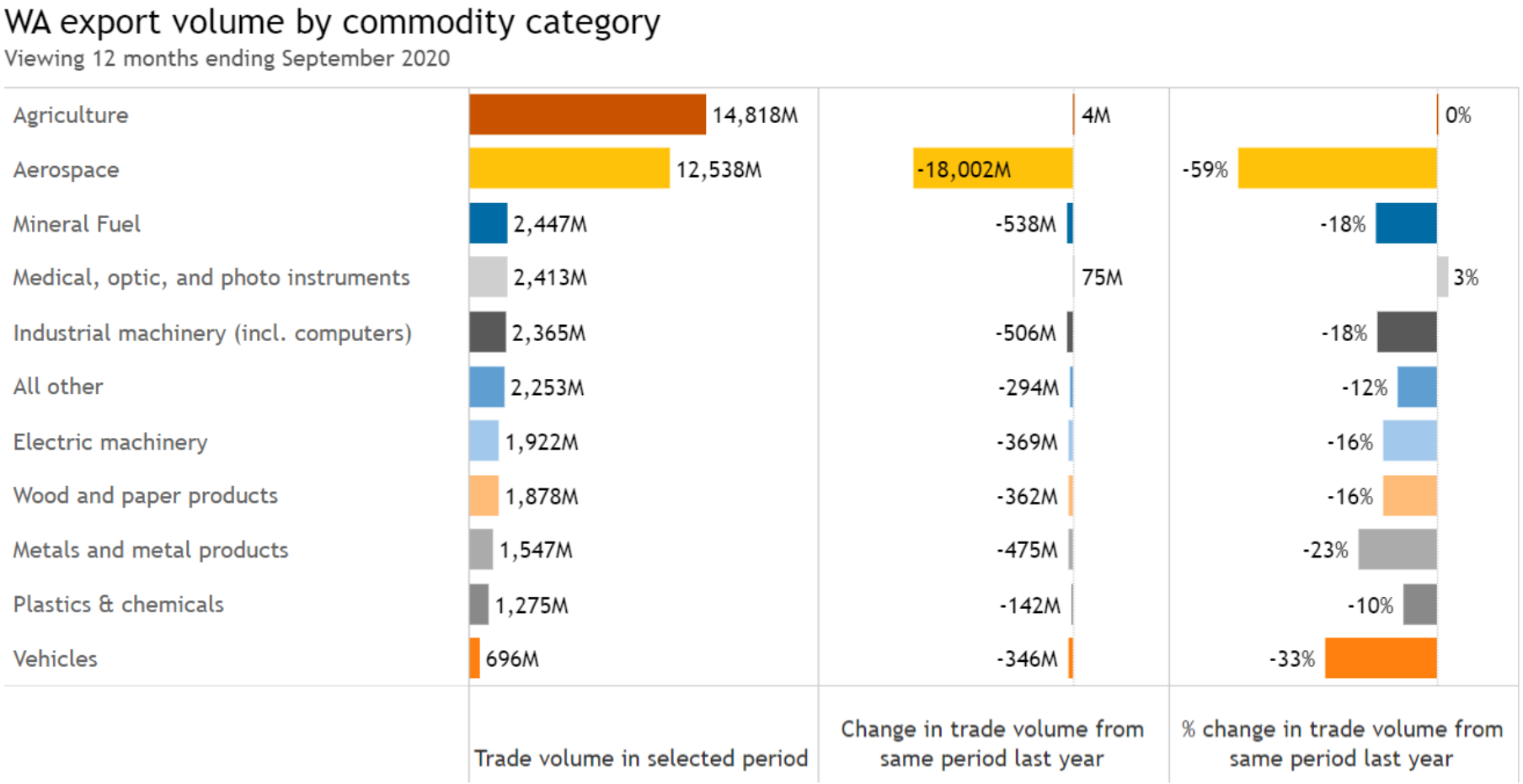
Investments to support our innovation economy

- Cluster Development
- Advanced Forest Products
- Clean Tech
- Aerospace
- Advanced manufacturing
- Life Sciences
- Maritime Blue

International Trade

Update on Key Markets appropriation

Trends: Export Volume



Why exports are important for small businesses

PROFITS: Companies that export are 17% more profitable than those that don't!

RESILIENCY: Exporting helps companies ride out economic downturn. It's more important than ever for WA companies to develop market diversification strategies!

EFFICIENCY: Fully use existing production capabilities.

MARKETS: Over 80% of the world's purchasing power is outside the U.S., which equals substantial growth opportunity for small businesses.

EMPLOYMENT: Exports create jobs.

SBEA VIRTUAL PROGRAM AND SERVICES

COVID-19 Pivots & Expanded outreach to small businesses in rural areas

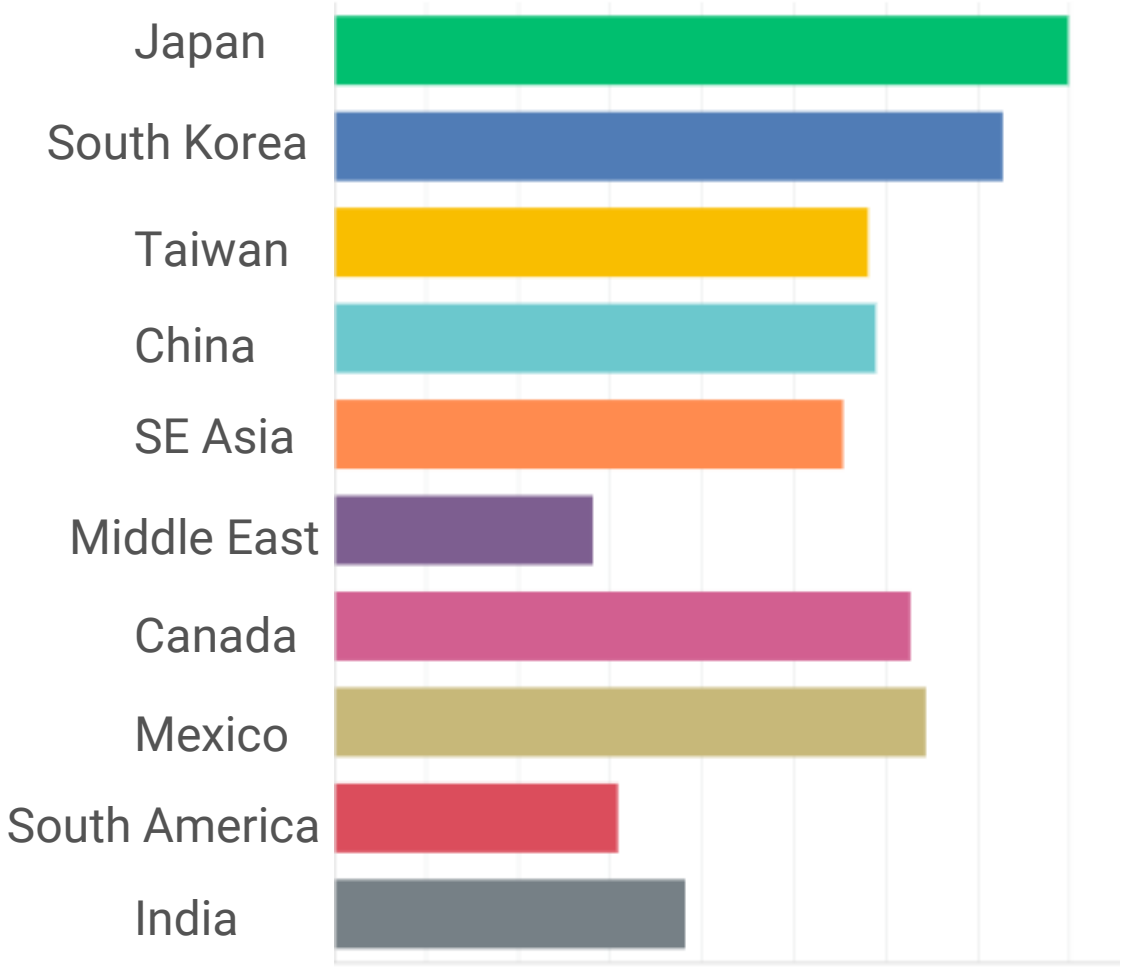
- **Virtual workshops**
  (USMCA, export financing, export compliance, Incoterms, int'l certifications, etc.)
- **Hands-on export trainings with experts**
  (market diversification, e-commerce, new export strategies due to Covid-19 etc.)
  It's essential for companies to become more digital to stay competitive and build resilience!
- Virtual **B2B matchmaking meetings**
  An effective way to meet and vet potential partners and customers prior to attending in-person international trade events
- **Virtual trade shows**
  Hybrid format: *Bio Asia Taiwan (July) and Medical Japan Tokyo (Oct)*
  = Local representation by overseas consultants
  Virtual format*: Oceanology International (Dec)*

SBEA VIRTUAL PROGRAM AND SERVICES

COVID-19 Pivots & Expanded outreach to small businesses in rural areas

- **Virtual missions to keep and strengthen engagements in key markets**
  (Virtual mission with Hangzhou, China)
- **Market research webinars**
  helping small businesses identify new export opportunities in Europe, Canada, Japan, South Korea, Taiwan, Brazil, and Israel
- **In-person trade shows**
  12 planned international trade shows once international travel resumes
- **Leveraging partnerships we expanded our outreach** to small businesses in rural areas to ensure they are aware of Commerce's export assistance services, learn about global market opportunities, and participate in export activities.

Top markets targeted by WA businesses



INTERNATIONAL REPRESENTATION

Our network of overseas consultants



SEPTEMBER VIRTUAL TRADE EVENTS

- The SBEA team organized **10 virtual international trade activities**
- 600 participants, including 100+ WA companies
- **7 webinars** exploring export opportunities in Europe, Japan, South Korea, Canada, Brazil & LATAM, and China
- **Export clinic** (1:1 meetings with Commerce's European representative)
- **AI Meet Up with Japan** (10 WA start-ups pitching to Japanese companies)
  = 285+ registered participants/mostly from Japan
- **Virtual mission** with Hangzhou, China to continue international engagements

UPCOMING INTERNATIONAL TRADE EVENTS

- **December 2020:**
  Oceanology International, London (Dec 1-3, 2020) – Virtual trade show
  Scottish delegation to Washington State (Dec 1-8, 2020) – Virtual mission
  Web Summit, Lisbon, Portugal (Dec 2-4, 2020) – Virtual trade show
  UK Aerospace Industry Update by ADS (Dec 15, 2020) – Webinar
- **January 2021**
  AI Meetup 16.0 mission from Japan to Washington State (January 26th-28th, 2021) – Virtual mission
  Aerospace & Defense Digital Trade Mission to South Korea (January 20-21, 2021) – Virtual mission
- **February 2021**
  Medical Japan Osaka (February 24-26, 2021) – Hybrid trade show (virtual & live expo)
  Aerospace & Defense Digital Trade Mission to the UAE (Feb 8-9, 2021) – Virtual mission
  20th annual PNAA Aerospace Conference (Feb 8-11, 2021) – Hybrid B2B conference
- **March 2021**
  Taipei International Machine Tool Show 2021 (March 15-20, 2021) – Hybrid trade show
  Aerospace & Defense Supplier Summit (ADSS) - Seattle (March 15-17, 2021) – Virtual B2B conference
- **April 2021**
  Hannover Messe (April 12-16, 2021) – Hybrid trade show

2021 INTERNATIONAL TRADE EVENTS

May 2021
AI Meetup 17.0 - AI Tech Mission to Japan - Virtual Mission from Spain (dates and format to be confirmed)

June 2021
JEC World Composite Expo, Paris (June 1-3, 2021)
Bio Korea (June 9-11, 2021)
Paris Air Show (June 20-27, 2021)
Arab Health, Dubai, UAE (June 21-24, 2021)

July 2021
Mobil World Congress, Barcelona (June 28-July 1 2021)
Bio Taiwan (July 22-25, 2021)

August 2021
HIMSS Las Vegas - August 9-13, 2021
AIX Hamburg - Aug 31-Sept 2, 2021

September 2021
FIME Florida - Sept 1-3, 2021
Defense & Security Equipment Int'l Exhibition (DSEI), UK (Sept 14-17, 2021)
World Smart Energy Week Osaka, Japan (Sept 29-Oct 1, 2021)

Washington State Department of Commerce

www.commerce.wa.gov

Thank you

Chris Green

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