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THE Tampa Bay Economy

Quarterly Journal of the Center for Economic Development Research



Volume 1, No. 3

Fall/Winter 2000

Expanding Trade Opportunities in South Africa

By Gina B. Space, Economist with the Center for Economic Development Research

Enterprise Florida announced on October 30, 2000 that Florida Lieutenant Governor Frank Brogan will lead a trade mission to South Africa from February 11 to 17, 2001. Florida businesses and organizations planning to participate in the mission will seek to develop and strengthen relationships with counterpart organizations in South Africa and to enhance trade opportunities. This article reports the results of background research on international trade with South Africa. All figures are in U.S. dollars unless otherwise noted.

Since 1994, when South Africa made the peaceful transition to full democracy, trade with, and investment in, South Africa has grown substantially. U.S. trade with South Africa was valued at nearly \$5.8 billion in 1999. Total imports were valued at \$3.2 billion and total exports were valued at \$2.6 billion, ranking the country as the U.S.' 36th largest export market. Over two-thirds of total export value was concentrated in manufactured goods; of that over \$1.2 billion was machinery and transportation equipment. Examples of goods in this category include aircraft equipment, automatic data processing machinery, motor vehicles for transport, plus parts and accessories, and agricultural machinery.

In 1999, South Africa ranked as Florida's 51st largest export market. Florida businesses exported merchandise valued at \$123.8 million during that year to Sub-Saharan African countries. Nearly 50% of this total was exported to South Africa. Florida's merchandise exports to South Africa grew over 90% from 1993 to 1998. Florida and U.S. exports decreased 27.6% and 28.7% respectively in 1999 as a result of the ripple effects of the Asian financial crisis, which hit South Africa later and with less intensity.

Florida's exports to South Africa are similar to those of



the U.S. and are concentrated in transportation equipment, industrial machinery, and electric and electronic equipment. Chemical products are also a major Florida export to Sub-Saharan African countries, valued at \$12.8 million in 1999. This is also consistent with U.S. national data: residual petroleum products ranks as the U.S.' 17th largest commodity exported to South Africa.

In 1998, the Tampa-St. Petersburg-Clearwater metropolitan statistical area (MSA) exported \$11.9 million and the Lakeland-Winter Haven MSA exported \$1.4 million to South Africa. These two MSA's comprised 15.9% of Florida's total merchandise exports and 17.7% of Florida's MSA exports to South Africa.

The U.S. Department of Commerce in 1994 identified the Republic of South Africa as one of the 10 Big

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From The Editor . . .



This issue of *The Tampa Bay Economy* contains two very timely articles regarding current trade with foreign countries. The lead story, "Expanding Trade Opportunities in South Africa" discusses the Tampa Bay area's potential for trade with South Africa. In an effort to strengthen Florida's trade and investment relationship with South Africa, Lt. Governor Frank Brogan will lead a "Team Florida" trade mission there, beginning February 11th. This journal also contains an article regarding the current opportunities for trade between Mexico and the Tampa Bay region. In February, President Bush will travel to Mexico as his first trip abroad as president of the United States.

An announcement of a new Center within the Department of Economics is also included in this issue. The Center for Economic Policy Analysis (CEPA) will study social policy relevant to Tampa Bay, Florida and the Nation. While CEPA will focus on economic principles of social policy, CEDR, an organization of the College of Business Administration, specializes in research on economic development issues.

This journal is combined for Fall/Winter 2000. The center of the issue contains the data inserts for both, 3rd and 4th quarters of 2000.

As always, if you have any comments or suggestions for future articles, you can contact me at nkimball@coba.usf.edu

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Announcement

. . . from the Department of Economics

The Department of Economics at the University of South Florida is pleased to announce the opening of the Center for Economic Policy Analysis (CEPA). CEPA is a non-profit, ideologically neutral collection of scholars devoted to the analysis of social policy relevant to the Tampa Bay region, the State of Florida and the Nation.

Projects already underway at the Center include an efficiency analysis of the Florida State Prison System and an analysis of the economic impact of hosting Super Bowl XXXV in Tampa. Planned projects include a study of the problems of growth and urban sprawl, an analysis of the high-speed railway between Tampa and Orlando, and an analysis of the water shortage in Central Florida.

The Center's unifying theme is a fundamental belief that good decisions concerning social policy are grounded in a thorough understanding of economic principles. As such the Center embraces the following tenants when considering social policy and strives to educate voters

and their political representatives in the use and application of economic reasoning.

1. **The relevant cost of any action is its opportunity cost** - the value of the best alternative sacrificed to take the action.
2. **Incentives matter.** People will respond to changes in the relative costs and benefits of an activity.
3. Clearly defined and **exclusive rights in property provide the incentive for efficient resource allocation.** When property rights cannot be made exclusive, externalities result.
4. **Individual freedom promotes economic progress** because mature individuals know better than anyone else what is best for them.
5. **Prices established in free markets contain valuable information and promote prosperity** by aligning individual incentives with the goal of promoting social welfare.

Update on CEDR's Data Center

By Dr. Dennis Colie, Associate Director of the Center for Economic Development Research

CEDR's Data Center continues to be updated and expanded. Additionally, we shortened the web site address to make access to on-line data even easier: go directly to our home page at <http://cedr.coba.usf.edu>. If you have bookmarked our old address (www.coba.usf.edu/centers/cedr) it still works too. Over the six-month period from June to November 2000, CEDR's web site enjoyed an average of 6,441 hits per month (excluding CEDR staff hits). Users remained at the site for an average of 16.3 minutes per visit.

In the Spring 2000 and the Summer 2000 issues of the CEDR-published journal, *The Tampa Bay Economy*, we described the regional economic development data available at our web site. To download copies of these back issues of the journal, go to our home page and click on the box labeled "The Tampa Bay Economy - CEDR'S JOURNAL."

The following regional data sets have been recently updated:

- Monthly and average annual Local Area Unemployment Statistics (LAUS) are now available, by county, from January 1990 to October 2000. These statistics describe labor force participation, employment and unemployment rate by place of residence.
- Revised covered employment (ES202) data for 1999 has been posted, as well as new data for the first and second quarters of the year 2000. This data set now extends from the first quarter of 1988 to the second quarter of 2000. The data is organized by 1-digit level Standard Industrial Classification (SIC) codes (and totals for all SIC codes) and describe the number of businesses, the number of covered employees by place of business, total wages of those employees, and average wages per employee. There is data for each Florida county plus statewide totals.
- Gross and taxable sales amounts are now available from January 1994 to March 2000 for each Florida county and a statewide aggregate.
- Residential building permit data now extends from January 1996 through October 2000. This data is available by state, by county, or by Metropolitan Statistical Area (MSA). This data set describes the number of units and aggregate value for which building permits have been issued and is organized by single-family, 2-family, 3&4-family, and 5-family units.
- The 1998 Regional Economic Information System (REIS) information on personal income, per capita personal income, and population has now been issued by the Bureau of Labor Statistics. Annual data is posted on CEDR's web site for 1969 through 1998 for all

counties and MSAs in the U.S. Because almost 30 years of data is available, these sets are most useful for trend analysis over a long period of time.

CEDR has also recently received *State Personal Income, 1929 - 99* from the Bureau of Economic Analysis (U.S. Dept. of Commerce). The following tables contain annual measures for each of the fifty states in the U.S.:

- ✓ Personal income by major source and earning by industry
- ✓ Wage and salary disbursements by industry
- ✓ Total full-time and part-time employment by industry
- ✓ State economic profiles
- ✓ Transfer payments
- ✓ Farm income and expenses
- ✓ Personal tax and nontax payments.

Although the *State Personal Income, 1929 - 99* tables are not available on-line, you can go to CEDR's home page and click on "Request Data from Cedr" to e-mail your individualized data need request.

CEDR is continuing to add data sets to its on-line Data Center. Look for migration data, based on filing of tax returns with the Internal Revenue Service (IRS), soon. We encourage you to regularly check our site for new data sets, updates, and reports of recent economic studies conducted by CEDR staff.

Announcement - Continued from page 2

6. Voluntary exchange among informed individuals always benefits everyone involved; forced exchange seldom does. An externality is a forced exchange.

7. Transaction costs hinder economic progress by raising the cost of exchanging goods.

8. Political activities redistribute wealth, sometimes intentionally, but often unintentionally.

All too often policy makers ignore these principles and adopt policies that are politically more expedient. This serves the policy maker by courting a special interest but seldom serves the social good. At CEPA we want to put social interests ahead of special interests

CEPA Policy Analysts are available to the media and for public speaking. CEPA plans to publish a quarterly newsletter and a working paper series. In addition, it will host civic debates concerning timely policy issues.

If you are interested in any of the activities of CEPA or in receiving the Center newsletter, please contact Irene Browne at 974-4232 by phone or Professor Philip Porter by e-mail at pporter@coba.usf.edu.

Emerging Markets. The South African economy continues to show great potential: in 1999 the country's GDP, at \$131.1 billion, ranked 29th globally. GDP growth is forecasted to be 3.0% for the year 2000. Major contributors to GDP are manufacturing (24%), finance (15%), trade (15%), general government (13%), mining (8%), and transportation and communication (8%).

South Africa lies at the southern tip of Africa, midway between the expanding markets of the Asian and South American continents. Roughly one half of South Africa's population of 43.3 million lives in urban areas, which have well-developed transportation and communications networks. The four major urban areas in South Africa, which account for 75% of the economic activity, are: the greater Johannesburg metropolitan area; the Durban/Pinetown area in the Zwazulu-Natal province; the Cape Peninsula, including Cape Town; and the Port Elizabeth area in the Eastern Cape province. The Witwatersrand area in Johannesburg is the financial and industrial hub of the country and accounts for approximately 60% of the country's economic activity.

Globally, Foreign Direct Investment (FDI) in South Africa has almost quintupled since 1993, from \$10.7 billion to \$52.1 billion. Much of this is attributable to South African companies moving their primary listing to the London Stock Exchange. However, the privatization of a large number of parastatals, or government-owned corporations commenced in 1997 and continues to provide capital stimulus to the economy. FDI net financial transactions, which decreased in 1998 due to a global decrease in investment in emerging markets, is once again increasing. Preliminary data for 2000 show investment growth over 1999. (See Table 1 below.) The sale of a 20% share of South African Airways to Swissair contributed significantly to the volume of foreign investment.

Table 1.

DIRECT FOREIGN INVESTMENT		
	Net Financial Transactions	Year-End Stock of Foreign-Owned Capital
1993	no data	\$10,686,000,000
1994	no data	\$12,627,000,000
1995	\$993,000,000	\$15,004,000,000
1996	\$816,300,032	\$14,413,000,000
1997	\$3,811,000,064	\$17,888,000,000
1998	\$550,000,000	\$16,612,000,000
1999	\$1,372,000,000	\$52,064,000,000
2000 (first six months)	\$697,700,000	Not Available

Source: South African Reserve Bank Annual Reports and Quarterly Bulletins

The increase in FDI foreign-owned capital from 1998 to 1999 is concentrated in the mining, manufacturing and financial services sectors. These three sectors account for 98.3% of the total FDI growth, with mining and financial services alone accounting for 83.3% of the total.

U.S. companies constitute the largest presence of foreign firms in South Africa. Six hundred thirty-six U.S. companies, including subsidiaries and joint ventures, local partners, agents, franchises and representatives conduct business in South Africa. The top 15 U.S. investors (mid-1999) in South Africa are listed in Table 2 below.

Table 2.

Top U.S. Corporate Investors in South Africa			
1999 Investment		1999 Investment	
Company	(in millions)	Company	(in millions)
SBC Communications	\$610.80	Ford	\$57.50
Dow Chemicals	\$446.60	McDonalds	\$57.50
Coca-Cola	\$339.90	Ucar International Corporation	\$54.20
Caltex	\$197.00	Minute Maid International	\$41.10
IBM	\$167.50	Federal Mogul	\$40.70
Salem	\$145.60	Arrow Electronics Corporation	\$32.80
Goodyear	\$93.30	Pepsico Foods International	\$31.20
Duracell	\$86.20		

Source: U.S. State Department Country Commercial Guide, quoting Investment South Africa

South Africa's four largest trading partners are the United States, the United Kingdom, Germany and Japan. Rounding out the top five importers and exporter markets are: the Netherlands, which purchases 2% of South African exports; and Saudi Arabia, which accounts for 3.6% of South Africa's imports. (See Table 3 below.)

Table 3.

Country	South African Trading Partners			
	Percentage of Imports to South Africa		Percentage of Exports from South Africa	
	Africa	Rank	South Africa	Rank
United States	6.4	2	7.5	1
Germany	7.2	1	4.9	3
United Kingdom	4.8	3	5.2	2
Japan	4.5	4	4.9	4
Netherlands	1.5	13	2.0	5
Saudi Arabia	3.6	5	0.3	33

Source: South Africa Department of Trade and Industry World Trade Statistics

The European Union (EU), supplies 21.5% of all imports into South Africa and purchases 19.2% of all exports. Trade with the EU is expected to increase dramatically because the EU entered into a free trade agreement with South Africa effective January 1, 2000. The free trade agreement will liberalize trade restrictions for most merchandise - over 10 years, the EU will remove restrictions on 95% of its South African imports; and over 12 years South Africa will remove restrictions on 86% of EU imports.

From 1994 to 1999, South Africa's global imports have nearly doubled in value, from 76.8 billion rands to 146.5 billion rands, evidence of the nation's expanding buying power and consumption. The overwhelming majority of imports are broadly classified as manufactured goods (82.5% in 1999), including machinery and transport equipment. Mining imports, mostly crude petroleum,

constituted 14.1% of 1999 imports. South Africa recently reformed and simplified what was an extensive, complicated tariff structure, reducing the average tariff rate from over 20% to an import-weighted average of 7%. Most rates now fall within eight levels ranging from 0 to 30%. Historically, tariffs could be, and often were, changed with little or no notice as a result of petitions from local producers. New government policy has resulted in much fewer rulings favoring petitioners and has made the market more competitive. Rates for agricultural imports vary with international prices in order to protect local producers, effectively setting a minimum import price.

Best Prospects for U.S. Exports to South Africa

During a recent visit to the U.S., South African Department of Trade and Industry Minister Alec Erwin identified auto components, chemicals, electronics, information technology, pharmaceuticals, telecommunications and tourism as priority areas for attracting U.S. investment.

The U.S. Department of Commerce's International Trade Administration has identified best prospects for trade and investment for U.S. firms. Among them telecommunications and telecommunications equipment ranks as a best prospect, and cellular telephony ranks as a principal growth sector. Telkom, South Africa's only telephone company, has a monopoly on fixed-line voice services in South Africa which expires in 2003. This monopoly could be extended until 2004, but competition for a second network, to be licensed by the government, could begin in 2001.

Computer software and services and electronic commerce are also a significant import market and growth opportunity. South Africa has tightened intellectual property rights and is increasing enforcement of piracy laws. However serious concerns remain. Software growth has been consistently higher than the world average and is projected to increase substantially.

South Africa is privatizing and modernizing existing airports to accommodate rapid growth in total and international air traffic. Analysts expect an average annual growth rate of 30% until the year 2030, and plans are underway to bring retail shopping to the captive airport market.

Air pollution and waste management are growing concerns in South Africa. Environmental concerns have created demand for measurement and analysis instruments, especially multi-function measurement tools. The applied expertise to operate such equipment and implement programs is also highly sought after and presents an opportunity for American companies to trade in services.

Although on the decrease, crime rates are still high. Most South African security equipment is relatively unsophisticated, and the demand for innovative products in the sub-fields of vehicle security, perimeter security and access control, detection devices and building protection, and internal physical security and turnkey systems remains strong.

South Africa's managed health care industry is young and very competitive. The managed health care experience that exists in South Africa has been confined to very large employer-owned and managed networks of doctors (i.e. mining companies). Demand is high, as health coverage is a top priority for employers. Future success in providing effective health care will be tied to sophistication of technology, quality of care and economies of scale due to size and integration

Cosmetics and hair care is both a best prospect and a top growth industry as demand rises with disposable personal income. Sixty percent of the cosmetics and hair care sector volume is in the ethnic markets with hair care products specifically targeted to Black African consumers. The ethnic markets have an estimated value of \$166.7 million annually.

Two of the top 20 commodities exported from the U.S. to South Africa are agricultural products (wheat and rice). While the agricultural economy is highly market-oriented, the decrease in the value of the rand versus the dollar has recently led to demand for South African agricultural exports, including fruits, vegetables and sugar. The International Trade Administration identifies oilmeals, oils and seeds as a strong growth opportunity, and processed and consumer-oriented products, especially poultry meat, as a "best prospect".

South Africa is a member of the Southern Africa Customs Union (SACU), a partnership between South Africa, Botswana, Lesotho, Namibia and Swaziland. SACU members agree to a common tariff rate for goods entering from outside the partnership countries and to no duties on goods entering from partner countries. This agreement creates a competitive advantage for goods produced by a SACU member over those produced outside SACU countries. SACU members, excluding Botswana, are also part of the Common Monetary Area (CMA), sharing a common currency and providing for free movement of funds among members.

U.S. trade analysts call the Southern African Development Community (SADC) the most important regional organization in the continent. SADC's mission is to build a community of nations which together are politically and economically strong to compete in the world marketplace. SADC members include Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. SADC is working to become a global trading

bloc and already dominates the African continent. In 1997, SADC countries accounted for 81% of Africa's GNP, 81% of its imports and 80% of its exports. Member states are considering a trade protocol to create a free trade area (FTA) over an eight-year period. If instituted, the FTA will harmonize tariffs and facilitate trade. The FTA would create a comparative advantage for goods from member countries that compete directly with the U.S.

Opening New Opportunities

In May 2000, the African Growth and Opportunity Act (AGOA) was passed by the U.S. Congress and signed into law by President Clinton as Title I of the Trade and Development Act of 2000. AGOA extends the U.S. Generalized System of Preferences (GSP) to eligible Sub-Saharan African beneficiary countries, including South Africa.

In addition to reducing tariff and non-tariff barriers, the U.S. government will expand financial assistance and negotiate trade agreements. Under AGOA, South African businesses will be permitted to export over 6,500 different articles duty-free to the United States, including items that were previously protected as import-sensitive. Import-sensitive articles include apparel, watches, electronic articles, steel articles, footwear, handbags, luggage, flat goods, work gloves, leather apparel, and semi-manufactured and manufactured glass products.

U.S. government assistance targeted to export-import activities with South Africa include the establishment of the U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum and technical assistance from the U.S. Trade Representative Office. The law also calls for the Department of Commerce to increase the number of Foreign Commercial Service (FCS) offices in Sub-Saharan Africa, ensuring a presence in at least ten different countries, and an increase in the number of employees in the region to a minimum of twenty.

The International Trade Administration has been directed to identify tariff and non-tariff barriers for U.S. companies' activities and to hold discussions with the appropriate government officials in Sub-Saharan African countries to remove barriers and create a competitive marketplace. The ITA currently posts trade leads on the internet, which can be searched by country or industry. On December 13, 2000, 20 leads were posted for South Africa, covering a variety of products and industries. Visit www.usatrade.gov for more information.

The Overseas Private Investment Corporation has announced a call for proposals for infrastructure projects in Sub-Saharan Africa. OPIC will invest equity in privately sponsored projects for project development, business expansion, restructurings and privatizations.

Infrastructure is broadly defined to include water supply, wastewater and solid waste disposal, transportation systems, energy-related projects and telecommunications. OPIC also has a program to promote sustainable energy development in Africa using investment funds, political risk insurance, loan guarantee financing, and direct loans for small businesses. Projects in South Africa can also be covered by OPIC's Quick Cover Insurance Program, which applies to projects in the financial services, wireless telecommunications services, electricity distribution and hotel sectors.

The Export-Import Bank has three financing programs targeted to projects in Sub-Saharan African countries. The first is the availability of \$1 billion in flexible, extended term financing for purchase of U.S.-made HIV/AIDS medications and related equipment and services by organizations in selected Sub-Saharan African countries. The Ex-Im Bank is also offering \$200 million in short-term export credit insurance to support U.S. exports of raw materials, spare parts, consumer goods and commodities in selected Sub-Saharan countries. Finally, in an effort to make the purchase of U.S. goods easier, African companies can now access Ex-Im Bank guaranteed loans denominated in rands. Ex-Im Bank financing for sales increased from \$50 million in 1998 to over \$600 million in 1999.

The market potential for trade with South Africa is enormous. However, the extent of market access depends heavily on the success of domestic reforms, a continued commitment to global interaction and an increasingly level playing field for American exporters. Domestic reforms are on a strong and steady course - disposable personal income and gross domestic product are growing and expenditures on education and workforce training are over 7% of GDP, compared with 4% for many countries. A commitment to global interaction is evidenced by a free trade agreement with the European Union and another under consideration for the South African Development Community.

Creating a level playing field for American companies to compete in the South African market lies at the heart of this trade mission. Enterprise Florida is facilitating relationships with South African organizations to increase familiarity and business relationships and referrals. These relationships can help form the basis for the U.S. Trade Representative, who will be working over the next several years to solidify relationships into trade agreements, allowing American businesses to operate under a tariff structure that is competitive with the European Union and Sub-Saharan Africa. Florida is geographically positioned to take the lead on trade with South Africa and this trade mission allows Florida businesses to take advantage of this benefit.

The 2000 USF Economic Development Course

By Dr. Kenneth Wieand, Director of the Center for Economic Development Research

I. Background.

The American Economic Development Council (AEDC) is the nation's largest economic development association, serving about 2,500 economic development professionals worldwide. Education is an important component of AEDC's member services. The Association accredits 20 economic development courses around the nation. Each course follows a specified curriculum. Typically the courses are offered by organizations affiliated with institutions of higher learning. Courses last for 5 days and are held year round across the United States.

Upon completing an economic development course, participants are eligible to attend the Economic Development Institute, also accredited by the AEDC, which holds courses in Norman Oklahoma, San Diego, California, and Indianapolis, Indiana. Graduation from EDI and associated professional experience qualify candidates to sit for the Certified Economic Developer (CED) exam. About 525 individuals currently hold the CED designation.

II. The USF Economic Development Course in 2000.

The University of South Florida sponsors one of the longest-running economic development courses accredited by the AEDC. The Center for Economic Development Research offered the USF Economic Development Course for the 24th consecutive year from November 12-17, 2000.

The 2000 USF Economic Development Course was held at the Hilton Garden Inn located in Ybor City, an historic neighborhood in Tampa, Florida. The Ybor Hilton is within easy walking distance to numerous fine restaurants and entertainment facilities. A walking tour highlighted current redevelopment efforts in the neighborhood.

The Course Director was Kenneth F. Wieand, Director of CEDR. The Course Coordinator was Nolan Kimball, Coordinator of Information/Publications for CEDR. Other personnel involved were Dr. Dennis Colie, Associate Director of CEDR; Dodson Tong, CEDR's Data Manager; Gina Space and Brian Jacobik.

Tuition for this year's program was \$595. Course tuition included expenses for instruction, course materials, refreshments, a field trip, orientation dinner and two luncheons. Two sponsoring organizations, the Florida

Economic Development Council and Florida Power Corporation, provided a total of six scholarships for qualified participants. Each participant received a course book containing materials for the instruction modules submitted by the faculty. Additionally, a group photo was taken of all the course participants. CEDR's website contains all of the course information including the course registration form.

The 2000 USF Economic Development Course was structured on the required core topics established by the AEDC Education Committee. Topics covered were:

Marketing

Perspectives on Economic Development

Community Development

Corporate Site Selection

FEDC Deal of the Year

Business Retention and Expansion

Financing Economic Development Projects

Entrepreneurship and Small Business Creation

Rural Issues in Economic Development

Perspectives on Environmental Issues

Building an Effective EDO

Workforce Development

Analyzing the Geography of your Product

International Trade and Development

Analytical Tools for Economic Development

Strategic Planning in Economic Development

Class activities were supplemented by a case study. Field trips highlighted urban redevelopment and the deep-water Port of Tampa. Of the twenty-one course instructors, six hold the CED designation. Four of the faculty members are from academia, two from government and fourteen from the private sector. Forty-three students from five states participated in this year's course. Forty-three percent worked in economic development organizations, 18% worked in state development agencies, 7% represented workforce development boards, 18% worked for city governments, and 14% were employed in private industry.

AEDC accredited economic development courses are intended to be rigorous and extensive learning experiences. Attendance is strictly enforced. Each student was asked to rate the faculty on their presentation as well as evaluate other aspects of the Course.

The 2001 USF Economic Development Course will be held November 4 - 9, 2001. The course site will be determined by spring 2001.

Tampa Bay Trades with Mexico

By Brian S. Jacobik, Economist with the Center for Economic Development Research

I. The Status of Trade

On July 2, 2000 the citizens of Mexico elected Mr. Vicente Fox as President of Mexico. The occurrence exhibits the successful completion of multiparty presidential and legislative elections. The triumph of Mexican democracy will promote trade between our two nations and improve quality of life.

And in a move that further highlights the importance of trade and diplomacy between the U.S. and Mexico, during his initial workday at the White House, newly elected President Bush announced that his first trip abroad would be to Mexico. The January 22, 2001 edition of *The Tampa Tribune* reports from the Associated Press wire that President Bush will travel to Mexico on February 16, 2001, meet with Mexico's President Fox and return to the U.S. later the same day. The meeting will be at the Fox's family ranch in San Cristobal, near the Guanajuato city of Leon in central Mexico. President Bush's spokesperson said, "This meeting will be an opportunity to begin the process of achieving closer ties between the United States and Mexico and expanding areas of cooperation."

Tampa Bay exports stainless steel tanks, fresh fruit and vegetables, and animals to Mexico. Goods imported from Mexico include ammunition; machine tool parts and accessories; fabricated aluminum and stainless steel; metal slitting and shearing; farm machinery, safes, vaults and parts; drive-in windows; metal boxes; sheet plastics; plastic rods; plastic tubing; fresh fruit and vegetables; billboards, control systems and equipment; electrical control panels, and actuators. Trade between the Tampa Bay region and Mexico thrives partly because many speak each other's language. Tampa Bay businesses and residents possess unique language and cultural skills famous to Mexican business people. Productive trading activities that will benefit Tampa Bay, the U.S., and the world are built upon a base of educated, healthy workers. High-tech trade is strong and growing, despite education levels in Mexico that are low by U.S. standards. Minister for Trade Affairs for the Mexican Embassy in Washington, Francisco Javier Mancera, reports that "the most important challenge facing Mexico is our investment in human capital-particularly our education and health systems."

Mexico's automotive sector expects to invest \$15 million over the next five years to expand existing facilities and build new plants. Industry officials speculate that Japan's Toyota Motor and Peugeot of France may begin operations in Mexico. Up 36% from the first year of

NAFTA, Mexican vehicle production reached about 1,493,666 in 1999. Mexico's automotive industry is the sole producer of Volkswagen's New Beetle, which is exported to 80 countries. Growing internal demand has also spurred the growth of the automotive industry in Mexico. Retail vehicle sales in Mexico have more than doubled since 1994, according to the Mexican Automotive Industry Association (AMIA). Cesar Flores, president of AMIA, notes that the automotive industry is expected to continue to grow through 2001. Exports of Mexican-made automobiles could rise as new markets open up in Brazil, Argentina and Europe.

II. Trade Opportunities.

Mexico ranks as the 11th largest export destination from the Tampa-St. Petersburg-Clearwater, FL MSA and as the 13th largest in export expansion, with a growth of 126.2% over five years, faster than export growth to the world as a whole, at 90.7%.

Trade has benefited from the reduction of trade barriers of the North American Free Trade Agreement (NAFTA). NAFTA has enabled Mexico and the United States to establish a solid trading relationship. Tampa Bay's firms trading with Mexico will be positioned to profit from Mexico's economic growth.

Top U.S. export sectors for fiscal year 2001 to Mexico include automotive parts, electronic components, and soybeans according to the U.S. Department of Commerce. The Export Import (Ex-Im)Bank recently agreed to provide insurance coverage to lenders who extend lines of credit to Mexican businesses for the purchase of U.S. goods. This will help increase profit opportunities for Tampa Bay firms that export goods to small and medium-sized businesses in Mexico.

The financial agreement between the Ex-Im Bank, General Motors Acceptance Group, its subsidiary Restoration Funding Corporation and its Mexican service company, Auritec, S.A. will provide immediate cash to Tampa Bay exporters to Mexico.

Mexico-U.S. trade continues to expand. In August 2000, Mexico bought 15.3% of total U.S. exports. U.S. trade with Mexico reached \$161.5 billion in the first eight months of 2000. This figure represents a 203% increase from the first eight months of 1993, prior to NAFTA implementation.

III. Businesses in Tampa Bay and NAFTA Trade Barrier Reductions.

Mexico's ability to sustain economic growth will determine its prospects for a successful evolution to democratic rule. Following the December 1994 devaluation of



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UNITED STATES ECONOMY									
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
	2000	2000	2000	2000	2000	2000	2000	2000	2000
UNEMPLOYMENT RATE (%) sa	4.0	4.1	4.1	3.9	4.1	4.0	4.0	4.1	3.9
CHANGE IN PAYROLL EMPLOYMENT sa	349,000	95,000	527,000	410,000	171,000	57,000	-40,000	-79,000	195,000
AVERAGE HOURLY EARNINGS (\$) sa	13.49	13.54	13.58	13.64	13.66	13.70	13.75	13.80	13.83
CONSUMER PRICE INDEX sa (% change)	0.2	0.5	0.7	0.0	0.1	0.5	0.2	-0.1	0.5
PRODUCER PRICE INDEX sa (% change)	0.1	1.1	0.7	-0.4	0.1	0.9	-0.1	-0.4	0.8(p)
U.S. IMPORT PRICE INDEX not sa (12 mth % change)	0.4	2.1	0.1	-1.4	0.4	1.3	0.1	0.2	1.1
EMPLOYMENT COST INDEX (Qtr data, 3 mth % change) sa	1.4		1.0			0.9			
PRODUCTIVITY (non-farm business, % chg from previous Q) sa	1.9		6.1			3.8			
FLORIDA EMPLOYMENT									
TOTALS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
	2000	2000	2000	2000	2000	2000	2000	2000	2000
CIVILIAN LABOR FORCE	7,427,000	7,459,000	7,515,000	7,542,000	7,601,000	7,650,000	7,682,000	7,658,000	7,639,000
EMPLOYMENT	7,130,000	7,193,000	7,251,000	7,267,000	7,325,000	7,336,000	7,384,000	7,360,000	7,336,000
UNEMPLOYMENT RATE	4.0	3.6	3.5	3.6	3.6	4.1	3.9	3.9	4.0
TAMPA BAY EMPLOYMENT									
TOTALS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
	2000	2000	2000	2000	2000	2000	2000	2000	2000
CIVILIAN LABOR FORCE	1,701,722	1,712,126	1,727,164	1,734,424	1,746,287	1,754,854	1,764,979	1,761,133	1,756,440
EMPLOYMENT	1,647,894	1,664,418	1,680,525	1,685,381	1,698,204	1,699,480	1,710,566	1,706,967	1,700,581
UNEMPLOYMENT RATE	3.2	2.9	2.7	2.9	2.8	3.2	3.2	3.2	3.4
HERNANDO COUNTY									
CIVILIAN LABOR FORCE	48,696	48,934	49,292	49,278	49,765	50,008	50,159	50,135	50,110
EMPLOYMENT	46,733	47,231	47,692	47,724	48,148	48,240	48,629	48,556	48,386
UNEMPLOYMENT RATE	4.0	3.5	3.2	3.2	3.2	3.5	3.1	3.1	3.4
HILLSBOROUGH COUNTY									
CIVILIAN LABOR FORCE	555,284	559,319	564,223	565,317	570,225	572,921	576,144	575,081	573,133
EMPLOYMENT	538,282	544,012	549,323	549,690	554,572	555,635	560,115	559,280	557,318
UNEMPLOYMENT RATE	3.1	2.7	2.6	2.8	2.7	3.0	2.8	2.7	2.8
TAMPA - ST. PETERSBURG - CLEARWATER MSA									
CIVILIAN LABOR FORCE	1,220,323	1,228,952	1,240,140	1,242,069	1,252,185	1,257,737	1,264,409	1,262,205	1,258,344
EMPLOYMENT	1,182,270	1,194,856	1,206,520	1,207,325	1,218,048	1,220,384	1,230,223	1,228,390	1,224,081
UNEMPLOYMENT RATE	3.1	2.8	2.7	2.8	2.7	3.0	2.7	2.7	2.7
MANATEE COUNTY									
CIVILIAN LABOR FORCE	123,384	124,375	126,009	127,576	128,479	128,584	129,704	129,782	129,015
EMPLOYMENT	120,768	121,891	123,475	125,109	125,843	125,373	126,571	126,183	125,328
UNEMPLOYMENT RATE	2.1	2.0	2.0	1.9	2.1	2.5	2.4	2.8	2.9
PASCO COUNTY									
CIVILIAN LABOR FORCE	137,961	138,995	140,252	140,489	141,538	142,123	142,851	142,676	142,166
EMPLOYMENT	133,268	134,687	136,001	136,092	137,301	137,564	138,673	138,467	137,981
UNEMPLOYMENT RATE	3.4	3.1	3.0	3.1	3.0	3.2	2.9	3.0	2.9
PINELLAS COUNTY									
CIVILIAN LABOR FORCE	478,381	481,704	486,373	486,984	490,658	492,684	495,255	494,313	492,934
EMPLOYMENT	463,987	468,926	473,504	473,819	478,028	478,944	482,806	482,086	480,395
UNEMPLOYMENT RATE	3.0	2.7	2.6	2.7	2.6	2.8	2.5	2.5	2.5
POLK COUNTY (LAKELAND - WINTER HAVEN MSA)									
CIVILIAN LABOR FORCE	201,941	202,120	202,924	203,449	204,317	207,376	208,046	207,409	207,231
EMPLOYMENT	192,909	194,311	195,178	195,538	195,980	195,984	194,523	193,635	193,488
UNEMPLOYMENT RATE	4.5	3.9	3.8	3.9	4.1	5.5	6.5	6.6	6.6
SARASOTA COUNTY									
CIVILIAN LABOR FORCE	156,075	156,679	158,091	161,331	161,305	161,158	162,820	161,737	161,851
EMPLOYMENT	151,947	153,360	155,352	157,409	158,332	157,740	159,249	158,760	157,685
UNEMPLOYMENT RATE	2.6	2.1	1.7	2.4	1.8	2.1	2.2	1.8	2.6
SARASOTA - BRADENTON MSA									
CIVILIAN LABOR FORCE	279,459	281,054	284,100	288,907	289,784	289,742	292,524	291,519	290,866
EMPLOYMENT	272,715	275,251	278,827	282,518	284,175	283,113	285,820	284,943	283,013
UNEMPLOYMENT RATE	2.4	2.1	1.9	2.2	1.9	2.3	2.3	2.3	2.7

SOURCE: US - Bureau of Labor Statistics, FL & Co. - LAUS

NOTE: (p) preliminary (sa) seasonally adjusted

For additional and historical data please visit our website at: <http://cedr.coba.usf.edu>

TAMPA BAY EMPLOYMENT

	Q1 1998	Q1 1999		Q2 1998	Q2 1999		Q3 1998	Q3 1999		Q4 1998	Q4 1999	
	AVG.	AVG.	ANNUAL	AVG.	AVG.	ANNUAL	AVG.	AVG.	ANNUAL	AVG.	AVG.	ANNUAL
	EMP	EMP	% CHG	EMP	EMP	% CHG	EMP	EMP	% CHG	EMP	EMP	% CHG
HERNANDO												
Agriculture, Forestry & Fishing	379	423	10.40%	386	436	12.95%	395	461	16.71%	400	444	11.00%
Mining	359	334	-7.49%	357	321	-10.08%	362	334	-7.73%	360	339	-5.83%
Construction	1,604	1,792	10.49%	1,690	1,823	7.87%	1,730	1,771	2.37%	1,800	1,888	4.89%
Manufacturing	1,368	1,342	-1.94%	1,401	1,329	-5.14%	1,372	1,366	-0.44%	1,358	1,332	-1.91%
Trans, Comm And Public Utilities	831	868	4.26%	852	879	3.17%	852	904	6.10%	905	963	6.41%
Wholesale Trade	885	909	2.64%	879	909	3.41%	877	893	1.82%	1,057	907	-14.19%
Retail Trade	7,821	8,829	11.42%	7,736	8,832	14.17%	7,447	8,695	16.76%	7,688	8,890	15.63%
Finance, Insurance & Real Estate	1,209	1,220	0.90%	1,168	1,245	6.59%	1,157	1,216	5.10%	1,186	1,162	-2.02%
Services	7,536	7,460	-1.02%	7,582	7,450	-1.74%	7,423	7,396	-0.36%	7,460	7,528	0.91%
Total Government	2,428	2,461	1.34%	2,463	2,493	1.22%	2,480	2,509	1.17%	2,453	2,513	2.45%
HILLSBOROUGH												
Agriculture, Forestry & Fishing	14,001	14,496	3.41%	11,537	12,174	5.52%	8,216	8,887	8.17%	13,075	12,380	-5.32%
Mining	22	30	26.67%	27	33	22.22%	28	n/a	-	27	28	3.70%
Construction	25,686	27,245	5.72%	26,530	27,383	3.22%	27,029	27,273	0.90%	27,450	27,452	0.01%
Manufacturing	37,246	36,967	-0.75%	37,460	37,084	-1.00%	37,600	37,286	-0.84%	37,697	37,283	-1.10%
Trans, Comm And Public Utilities	28,871	31,973	9.70%	30,096	31,784	5.61%	30,002	31,517	5.05%	32,199	32,251	0.16%
Wholesale Trade	35,241	34,944	-0.85%	35,303	34,595	-2.01%	35,700	34,581	-3.13%	34,873	35,046	0.50%
Retail Trade	88,773	90,415	1.82%	88,289	91,030	3.10%	89,318	90,240	1.03%	92,138	92,526	0.42%
Finance, Insurance & Real Estate	43,904	46,585	5.76%	45,083	46,296	2.69%	45,465	46,531	2.34%	46,482	46,686	0.44%
Services	199,067	218,156	8.75%	207,726	223,059	7.38%	209,525	221,720	5.82%	213,357	225,755	5.81%
Total Government	23,496	25,070	6.28%	23,904	25,397	6.25%	24,547	25,703	4.71%	24,768	25,562	3.21%
MANATEE												
Agriculture, Forestry & Fishing	6,464	6,759	4.36%	6,776	7,288	7.56%	3,835	3,722	-2.95%	7,119	6,759	-5.06%
Mining	n/a	n/a	-	n/a	n/a	-	n/a	n/a	-	n/a	n/a	-
Construction	4,080	4,659	12.43%	4,254	5,003	17.61%	4,498	5,380	19.61%	4,683	4,659	-0.51%
Manufacturing	12,938	13,524	4.33%	12,964	13,644	5.25%	12,695	13,665	7.64%	12,885	13,524	4.96%
Trans, Comm And Public Utilities	1,640	1,861	11.88%	1,678	1,876	11.80%	1,631	1,747	7.11%	1,776	1,861	4.79%
Wholesale Trade	3,201	3,516	8.96%	3,509	3,652	4.08%	3,268	3,608	10.40%	3,719	3,516	-5.46%
Retail Trade	18,512	19,323	4.20%	18,044	18,759	3.96%	17,993	18,706	3.96%	18,942	19,323	2.01%
Finance, Insurance & Real Estate	3,096	3,075	-0.68%	3,140	3,077	-2.01%	3,086	3,138	1.69%	3,152	3,075	-2.44%
Services	48,092	41,787	-15.09%	50,888	47,846	-5.98%	51,216	47,111	-8.02%	53,791	41,787	-22.32%
Total Government	5,041	5,115	1.45%	5,043	5,117	1.47%	5,066	5,180	2.25%	5,059	5,115	1.11%
PASCO												
Agriculture, Forestry & Fishing	2,908	2,867	-1.43%	2,645	2,448	-7.45%	1,861	1,838	-1.24%	2,417	2,867	18.62%
Mining	41	41	0.00%	41	45	9.76%	42	43	2.38%	44	41	-6.82%
Construction	4,769	5,174	7.83%	4,982	5,302	6.42%	5,044	5,286	4.80%	5,072	5,174	2.01%
Manufacturing	3,766	3,688	-2.11%	3,766	3,433	-8.84%	3,687	3,364	-8.76%	3,706	3,688	-0.49%
Trans, Comm And Public Utilities	2,216	2,313	4.19%	2,202	2,251	2.23%	2,300	2,249	-2.22%	2,386	2,313	-3.06%
Wholesale Trade	1,855	1,871	0.86%	2,001	1,870	-6.55%	2,023	1,832	-9.44%	1,997	1,871	-6.31%
Retail Trade	19,282	18,874	-2.16%	19,145	18,906	-1.25%	18,477	18,701	1.21%	19,375	18,874	-2.59%
Finance, Insurance & Real Estate	3,252	3,108	-4.63%	2,820	3,106	10.14%	2,800	3,192	14.00%	2,867	3,108	8.41%
Services	23,450	22,588	-3.82%	23,416	22,400	-4.34%	22,815	22,031	-3.44%	22,999	22,588	-1.79%
Total Government	4,525	4,614	1.93%	4,601	4,690	1.93%	4,569	4,783	4.68%	4,562	4,614	1.14%
PINELLAS												
Agriculture, Forestry & Fishing	2,830	3,185	11.15%	3,107	3,317	6.76%	3,264	3,390	3.86%	3,293	3,185	-3.28%
Mining	8	7	-14.29%	8	8	0.00%	7	7	0.00%	7	7	0.00%
Construction	19,158	20,036	4.38%	19,925	19,942	0.09%	20,103	20,444	1.70%	20,060	20,036	-0.12%
Manufacturing	46,201	46,673	1.01%	46,186	47,026	1.82%	45,875	47,266	3.03%	46,424	46,673	0.54%
Trans, Comm And Public Utilities	13,483	16,174	16.64%	14,045	15,900	13.21%	13,923	15,532	11.56%	14,630	16,174	10.55%
Wholesale Trade	20,546	20,822	1.33%	20,644	20,821	0.86%	20,828	20,957	0.62%	20,257	20,822	2.79%
Retail Trade	79,032	78,802	-0.29%	79,312	79,595	0.36%	78,636	78,052	-0.74%	79,967	78,802	-1.46%
Finance, Insurance & Real Estate	28,193	30,093	6.31%	28,773	30,073	4.52%	29,259	30,599	4.58%	30,093	30,093	0.03%
Services	151,333	153,796	1.60%	154,612	157,357	1.78%	154,093	157,367	2.12%	154,105	153,796	-0.20%
Total Government	19,394	19,580	0.95%	19,727	19,844	0.59%	19,699	20,101	2.04%	19,458	19,580	0.63%
POLK												
Agriculture, Forestry & Fishing	11,903	10,795	-10.26%	9,544	8,591	-9.99%	5,151	4,086	-20.68%	9,832	10,795	9.79%
Mining	3,148	2,592	-21.45%	3,224	2,497	-22.55%	3,140	2,489	-20.73%	3,044	2,592	-14.85%
Construction	9,519	9,790	2.77%	9,766	9,670	-0.98%	9,712	9,900	1.94%	9,779	9,790	0.11%
Manufacturing	20,778	20,869	0.44%	20,716	20,660	-0.27%	20,245	19,781	-2.29%	20,570	20,869	1.45%
Trans, Comm And Public Utilities	8,175	8,731	6.37%	8,375	8,744	4.41%	8,402	8,836	5.17%	8,811	8,731	-0.91%
Wholesale Trade	8,481	8,524	0.50%	8,329	8,251	-0.94%	8,191	8,178	-0.16%	8,438	8,524	1.02%
Retail Trade	39,611	40,025	1.03%	39,141	40,985	4.71%	39,124	40,429	3.34%	40,562	40,025	-1.32%
Finance, Insurance & Real Estate	7,753	8,049	3.68%	8,027	8,135	1.35%	8,332	7,998	-4.01%	8,150	8,049	-1.24%
Services	43,762	44,663	2.02%	43,175	44,676	3.48%	42,466	44,294	4.30%	43,263	44,663	3.24%
Total Government	12,560	12,099	-3.81%	11,948	12,004	0.47%	12,373	11,917	-3.69%	13,265	12,099	-8.79%
SARASOTA												
Agriculture, Forestry & Fishing	1,965	2,333	15.77%	2,036	1,986	-2.46%	2,018	1,939	-3.91%	2,225	2,333	4.85%
Mining	54	n/a	-	48	n/a	-	n/a	n/a	-	n/a	n/a	-
Construction	8,204	9,217	10.99%	8,261	9,370	13.42%	8,772	9,225	5.16%	9,126	9,217	1.00%
Manufacturing	7,816	7,962	1.83%	7,872	8,168	3.76%	8,139	8,159	0.25%	8,173	7,962	-2.58%
Trans, Comm And Public Utilities	3,276	3,549	7.69%	3,443	3,472	0.84%	3,363	3,498	4.01%	3,536	3,549	0.37%
Wholesale Trade	4,640	4,123	-12.54%	4,603	4,003	-13.03%	4,532	4,066	-10.28%	4,459	4,123	-7.54%
Retail Trade	32,195	32,089	-0.33%	31,091	31,637	1.76%	31,400	30,368	-3.29%	32,801	32,089	-2.17%
Finance, Insurance & Real Estate	8,138	8,481	4.04%	8,598	8,453	-1.69%	8,508	8,691	2.15%	8,380	8,481	1.21%
Services	48,603	65,375	25.66%	49,448	67,146	35.79%	48,017	68,182	42.00%	48,766	65,375	34.06%
Total Government	5,732	5,862	2.22%	5,868	5,900	0.55%	5,970	5,918	-0.87%	5,867	5,862	-0.09%

Source: Florida Department of Labor and Employment Security

NOTE: For additional and historical data please visit our website at: <http://cedr.coba.usf.edu>



CENTER FOR ECONOMIC DEVELOPMENT RESEARCH

UNITED STATES ECONOMY												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
UNEMPLOYMENT RATE (%) sa	4.0	4.1	4.1	3.9	4.1	4.0	4.0	4.1	3.9	3.9	4.0	4.0
CHANGE IN PAYROLL EMPLOYMENT sa	349,000	95,000	527,000	410,000	171,000	57,000	-40,000	-79,000	195,000	66,000	59,000(p)	105,000(p)
AVERAGE HOURLY EARNINGS (\$) sa	13.49	13.54	13.58	13.64	13.66	13.70	13.75	13.80	13.83	13.88	13.96(p)	14.01(p)
CONSUMER PRICE INDEX sa (% change)	0.2	0.5	0.7	0.0	0.1	0.5	0.2	-0.1	0.5	0.2	0.2	0.2
PRODUCER PRICE INDEX sa (% change)	0.1	1.1	0.7	-0.4	0.1	0.9	0.1	-0.4	0.8(p)	0.4(p)	0.1(p)	0.0(p)
U.S. IMPORT PRICE INDEX not sa (12 mth % change)	0.4	2.1	0.1	-1.4	0.4	1.3	0.1	0.2	1.1	-0.4	0.1	-0.5
EMPLOYMENT COST INDEX (Qtr data, 3 mth % change) sa	1.4		1.0			0.9			0.8			
PRODUCTIVITY (non-farm business, % chg from previous Q) sa	1.9		6.1			3.3			n/a			
FLORIDA EMPLOYMENT												
TOTALS												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
CIVILIAN LABOR FORCE	7,427,000	7,459,000	7,515,000	7,542,000	7,601,000	7,650,000	7,682,000	7,658,000	7,639,000	7,661,000	7,650,000	7,636,000
EMPLOYMENT	7,130,000	7,193,000	7,251,000	7,267,000	7,325,000	7,336,000	7,384,000	7,360,000	7,336,000	7,374,000	7,374,000	7,389,000
UNEMPLOYMENT RATE	4.0	3.6	3.5	3.6	3.6	4.1	3.9	3.9	4.0	3.7	3.6	3.2
TAMPA BAY EMPLOYMENT												
TOTALS												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
CIVILIAN LABOR FORCE	1,701,722	1,712,126	1,727,164	1,734,424	1,746,287	1,754,854	1,764,979	1,761,133	1,756,440	1,765,137	1,768,686	1,765,619
EMPLOYMENT	1,647,894	1,664,418	1,680,525	1,685,381	1,698,204	1,699,480	1,710,566	1,706,967	1,700,581	1,713,913	1,719,309	1,720,991
UNEMPLOYMENT RATE	3.2	2.9	2.7	2.9	2.8	3.2	3.2	3.2	3.4	3.1	3.0	2.6
HERNANDO COUNTY												
CIVILIAN LABOR FORCE	48,696	48,934	49,292	49,278	49,765	50,008	50,159	50,135	50,110	50,541	50,790	50,598
EMPLOYMENT	46,733	47,231	47,692	47,724	48,148	48,240	48,629	48,556	48,386	48,751	48,912	48,925
UNEMPLOYMENT RATE	4.0	3.5	3.2	3.2	3.2	3.5	3.1	3.1	3.4	3.5	3.7	3.3
HILLSBOROUGH COUNTY												
CIVILIAN LABOR FORCE	555,284	559,319	564,223	565,317	570,225	572,921	576,144	575,081	573,133	576,092	577,746	576,848
EMPLOYMENT	538,282	544,012	549,323	549,690	554,572	555,635	560,115	559,280	557,318	561,516	563,374	563,520
UNEMPLOYMENT RATE	3.1	2.7	2.6	2.8	2.7	3.0	2.8	2.7	2.8	2.5	2.5	2.3
TAMPA - ST. PETERSBURG - CLEARWATER MSA												
CIVILIAN LABOR FORCE	1,220,323	1,228,952	1,240,140	1,242,069	1,252,185	1,257,737	1,264,409	1,262,205	1,258,344	1,266,412	1,270,773	1,268,437
EMPLOYMENT	1,182,270	1,194,856	1,206,520	1,207,325	1,218,048	1,220,384	1,230,223	1,228,390	1,224,081	1,233,301	1,237,381	1,237,701
UNEMPLOYMENT RATE	3.1	2.8	2.7	2.8	2.7	3.0	2.7	2.7	2.7	2.6	2.6	2.4
MANATEE COUNTY												
CIVILIAN LABOR FORCE	123,384	124,375	126,009	127,576	128,479	128,584	129,704	129,782	129,015	129,543	129,501	129,076
EMPLOYMENT	120,768	121,891	123,475	125,109	125,843	125,373	126,571	126,183	125,328	126,108	126,431	126,479
UNEMPLOYMENT RATE	2.1	2.0	2.0	1.9	2.1	2.5	2.4	2.8	2.9	2.7	2.4	2.0
PASCO COUNTY												
CIVILIAN LABOR FORCE	137,961	138,995	140,252	140,489	141,538	142,123	142,851	142,676	142,166	143,092	143,816	143,570
EMPLOYMENT	133,268	134,687	136,001	136,092	137,301	137,564	138,673	138,467	137,981	139,020	139,480	139,516
UNEMPLOYMENT RATE	3.4	3.1	3.0	3.1	3.0	3.2	2.9	3.0	2.9	2.8	3.0	2.8
PINELLAS COUNTY												
CIVILIAN LABOR FORCE	478,381	481,704	486,373	486,984	490,658	492,684	495,255	494,313	492,934	496,687	498,421	497,422
EMPLOYMENT	463,987	468,926	473,504	473,819	478,028	478,944	482,806	482,086	480,395	484,014	485,615	485,741
UNEMPLOYMENT RATE	3.0	2.7	2.6	2.7	2.6	2.8	2.5	2.5	2.5	2.6	2.6	2.3
POLK COUNTY (LAKELAND - WINTER HAVEN MSA)												
CIVILIAN LABOR FORCE	201,941	202,120	202,924	203,449	204,317	207,376	208,046	207,409	207,231	206,915	206,266	206,222
EMPLOYMENT	192,909	194,311	195,178	195,538	195,980	195,984	194,523	193,635	193,488	195,838	196,424	197,677
UNEMPLOYMENT RATE	4.5	3.9	3.8	3.9	4.1	5.5	6.5	6.6	6.6	5.4	4.8	4.1
SARASOTA COUNTY												
CIVILIAN LABOR FORCE	156,075	156,679	158,091	161,331	161,305	161,158	162,820	161,737	161,851	162,267	162,146	161,883
EMPLOYMENT	151,947	153,360	155,352	157,409	158,332	157,740	159,249	158,760	157,685	158,666	159,073	159,133
UNEMPLOYMENT RATE	2.6	2.1	1.7	2.4	1.8	2.1	2.2	1.8	2.6	2.2	1.9	1.7
SARASOTA - BRADENTON MSA												
CIVILIAN LABOR FORCE	279,459	281,054	284,100	288,907	289,784	289,742	292,524	291,519	290,866	291,810	291,647	290,959
EMPLOYMENT	272,715	275,251	278,827	282,518	284,175	283,113	285,820	284,943	283,013	284,774	285,504	285,612
UNEMPLOYMENT RATE	2.4	2.1	1.9	2.2	1.9	2.3	2.3	2.3	2.7	2.4	2.1	1.8

SOURCE: US - Bureau of Labor Statistics, FL & Co. - LAUS

NOTE: (p) preliminary (sa) seasonally adjusted

For additional and historical data please contact 974-CEDR or visit our website at: <http://cedr.coba.usf.edu>

TAMPA BAY EMPLOYMENT

	Q1 1998	Q1 1999		Q2 1998	Q2 1999		Q3 1998	Q3 1999		Q4 1998	Q4 1999		Q1 1999	Q1 2000		
	AVG.	AVG.	ANNUAL	AVG.	AVG.	ANNUAL	AVG.	AVG.	ANNUAL	AVG.	AVG.	ANNUAL	AVG.	AVG.	ANNUAL	
	EMP	EMP	% CHG	EMP	EMP	% CHG	EMP	EMP	% CHG	EMP	EMP	% CHG	EMP	EMP	% CHG	
HERNANDO																
Agriculture, Forestry & Fishing	379	423	10.40%	386	436	12.95%	395	461	16.71%	400	444	11.00%	423	453	7.09%	
Mining	359	334	-7.49%	357	321	-10.08%	362	334	-7.73%	360	339	-5.83%	334	347	3.89%	
Construction	1,604	1,792	10.49%	1,690	1,823	7.87%	1,730	1,771	2.37%	1,800	1,888	4.89%	1,792	2,016	12.50%	
Manufacturing	1,368	1,342	-1.94%	1,401	1,329	-5.14%	1,372	1,366	-0.44%	1,358	1,332	-1.91%	1,342	1,267	-5.59%	
Trans, Comm And Public Utilities	831	868	4.26%	852	879	3.17%	852	904	6.10%	905	963	6.41%	868	863	-0.58%	
Wholesale Trade	885	909	2.64%	879	909	3.41%	877	893	1.82%	1,057	907	-14.19%	909	870	-4.29%	
Retail Trade	7,821	8,829	11.42%	7,736	8,832	14.17%	7,447	8,695	16.76%	7,688	8,890	15.63%	8,829	8,943	1.29%	
Finance, Insurance & Real Estate	1,209	1,220	0.90%	1,168	1,245	6.59%	1,157	1,216	5.10%	1,186	1,162	-2.02%	1,220	1,170	-4.10%	
Services	7,536	7,460	-1.02%	7,582	7,450	-1.74%	7,423	7,396	-0.36%	7,460	7,528	0.91%	7,460	7,627	2.24%	
Total Government	2,428	2,461	1.34%	2,463	2,493	1.22%	2,480	2,509	1.17%	2,453	2,513	2.45%	2,461	2,549	3.58%	
HILLSBOROUGH																
Agriculture, Forestry & Fishing	14,001	14,496	3.41%	11,537	12,174	5.52%	8,216	8,887	8.17%	13,075	12,380	-5.32%	14,496	14,468	-0.19%	
Mining	22	30	26.67%	27	33	22.22%	28	n/a	-	27	28	3.70%	30	30	0.00%	
Construction	25,686	27,245	5.72%	26,530	27,383	3.22%	27,029	27,273	0.90%	27,450	27,452	0.01%	27,245	27,469	0.82%	
Manufacturing	37,246	36,967	-0.75%	37,460	37,084	-1.00%	37,600	37,286	-0.84%	37,697	37,283	-1.10%	36,967	38,073	2.99%	
Trans, Comm And Public Utilities	28,871	31,973	9.70%	30,096	31,784	5.61%	30,002	31,517	5.05%	32,199	32,516	0.16%	31,973	32,135	0.51%	
Wholesale Trade	35,241	34,944	-0.85%	35,303	34,595	-2.01%	35,700	34,581	-3.13%	34,873	35,046	0.50%	34,944	35,589	1.85%	
Retail Trade	88,773	90,415	1.82%	88,289	91,030	3.10%	89,318	90,240	1.03%	92,138	92,526	0.42%	90,415	90,381	-0.04%	
Finance, Insurance & Real Estate	43,904	46,585	5.76%	45,083	46,296	2.69%	45,465	46,531	2.34%	46,482	46,686	0.44%	46,585	45,809	-1.67%	
Services	199,067	218,156	8.75%	207,726	223,059	7.38%	209,525	221,720	5.82%	213,357	225,755	5.81%	218,156	227,386	4.23%	
Total Government	23,496	25,070	6.28%	23,904	25,397	6.25%	24,547	25,703	4.71%	24,768	25,562	3.21%	25,070	25,951	3.51%	
MANATEE																
Agriculture, Forestry & Fishing	6,464	6,759	4.36%	6,776	7,288	7.56%	3,835	3,722	-2.95%	7,119	6,759	-5.06%	6,759	7,432	9.96%	
Mining	n/a	n/a	-	n/a	n/a	-	n/a	n/a	-	n/a	n/a	-	n/a	n/a	-	
Construction	4,080	4,659	12.43%	4,254	5,003	17.61%	4,498	5,380	19.61%	4,683	4,659	-0.51%	4,659	5,645	21.16%	
Manufacturing	12,938	13,524	4.33%	12,964	13,644	5.25%	12,695	13,665	7.64%	12,885	13,524	4.96%	13,524	13,038	-3.59%	
Trans, Comm And Public Utilities	1,640	1,861	11.88%	1,678	1,876	11.80%	1,631	1,747	7.11%	1,776	1,861	4.79%	1,861	1,749	-6.02%	
Wholesale Trade	3,201	3,516	8.96%	3,509	3,652	4.08%	3,268	3,608	10.40%	3,719	3,516	-5.46%	3,516	3,969	12.88%	
Retail Trade	18,512	19,323	4.20%	18,044	18,759	3.96%	17,993	18,706	3.96%	18,942	19,323	2.01%	19,323	20,047	3.75%	
Finance, Insurance & Real Estate	3,096	3,075	-0.68%	3,140	3,077	-2.01%	3,086	3,138	1.69%	3,152	3,075	-2.44%	3,075	3,064	-0.36%	
Services	48,092	41,787	-15.09%	50,888	47,846	-5.98%	51,216	47,111	-8.02%	53,791	41,787	-22.32%	41,787	52,995	26.82%	
Total Government	5,041	5,115	1.45%	5,043	5,117	1.47%	5,066	5,180	2.25%	5,059	5,115	1.11%	5,115	5,300	3.62%	
PASCO																
Agriculture, Forestry & Fishing	2,908	2,867	-1.43%	2,645	2,448	-7.45%	1,861	1,838	-1.24%	2,417	2,867	18.62%	2,867	2,535	-11.58%	
Mining	41	41	0.00%	41	45	9.76%	42	43	2.38%	44	41	-6.82%	41	50	21.95%	
Construction	4,769	5,174	7.83%	4,982	5,302	6.42%	5,044	5,286	4.80%	5,072	5,174	2.01%	5,174	5,606	8.35%	
Manufacturing	3,766	3,688	-2.11%	3,766	3,433	-8.84%	3,687	3,364	-8.76%	3,706	3,688	-0.49%	3,688	3,194	-13.39%	
Trans, Comm And Public Utilities	2,216	2,313	4.19%	2,202	2,251	2.23%	2,300	2,249	-2.22%	2,386	2,313	-3.06%	2,313	2,241	-3.11%	
Wholesale Trade	1,855	1,871	0.86%	2,001	1,870	-6.55%	2,023	1,832	-9.44%	1,997	1,871	-6.31%	1,871	2,008	7.32%	
Retail Trade	19,282	18,874	-2.16%	19,145	18,906	-1.25%	18,477	18,701	1.21%	19,375	18,874	-2.59%	18,874	19,476	3.19%	
Finance, Insurance & Real Estate	3,252	3,108	-4.63%	2,820	3,106	10.14%	2,800	3,192	14.00%	2,867	3,108	8.41%	3,108	3,269	5.18%	
Services	23,540	22,588	-3.82%	23,416	22,400	-4.34%	22,815	22,031	-3.44%	22,999	22,588	-1.79%	22,588	22,126	-2.05%	
Total Government	4,525	4,614	1.93%	4,601	4,690	1.93%	4,569	4,783	4.68%	4,562	4,614	1.14%	4,614	4,756	3.08%	
PINELLAS																
Agriculture, Forestry & Fishing	2,830	3,185	11.15%	3,107	3,317	6.76%	3,264	3,390	3.86%	3,293	3,185	-3.28%	3,185	3,067	-3.70%	
Mining	8	7	-14.29%	8	8	0.00%	7	7	0.00%	7	7	0.00%	7	24	242.86%	
Construction	19,158	20,036	4.38%	19,925	19,942	0.09%	20,103	20,444	1.70%	20,060	20,036	-0.12%	20,036	21,212	5.87%	
Manufacturing	46,201	46,673	1.01%	46,186	47,026	1.82%	45,875	47,266	3.03%	46,424	46,673	0.54%	46,673	45,617	-2.26%	
Trans, Comm And Public Utilities	13,483	16,174	16.64%	14,045	15,900	13.21%	13,923	15,532	11.56%	14,630	16,174	10.55%	16,174	16,078	-0.59%	
Wholesale Trade	20,546	20,822	1.33%	20,644	20,821	0.86%	20,828	20,957	0.62%	20,257	20,822	2.79%	20,822	22,107	6.17%	
Retail Trade	79,032	78,802	-0.29%	79,312	79,595	0.36%	78,636	78,052	-0.74%	79,967	78,802	-1.46%	78,802	80,582	2.26%	
Finance, Insurance & Real Estate	28,193	30,093	6.31%	28,773	30,793	4.52%	29,259	30,599	4.58%	30,083	30,093	0.03%	30,093	30,325	0.77%	
Services	151,333	153,796	1.60%	154,612	157,357	1.78%	154,093	157,367	2.12%	154,105	153,796	-0.20%	153,796	163,956	6.61%	
Total Government	19,394	19,580	0.95%	19,727	19,844	0.59%	19,699	20,101	2.04%	19,458	19,580	0.63%	19,580	20,312	3.74%	
POLK																
Agriculture, Forestry & Fishing	11,903	10,795	-10.26%	9,544	8,591	-9.99%	5,151	4,086	-20.68%	9,832	10,795	9.79%	10,795	10,221	-5.32%	
Mining	3,148	2,592	-21.45%	3,224	2,497	-22.55%	3,140	2,489	-20.73%	3,044	2,592	-14.85%	2,592	2,410	-7.02%	
Construction	9,519	9,790	2.77%	9,766	9,670	-0.98%	9,712	9,900	1.94%	9,779	9,790	0.11%	9,790	9,702	-0.90%	
Manufacturing	20,778	20,869	0.44%	20,716	20,660	-0.27%	20,245	19,781	-2.29%	20,570	20,869	1.45%	20,869	19,935	-4.48%	
Trans, Comm And Public Utilities	8,175	8,731	6.37%	8,375	8,744	4.41%	8,402	8,836	5.17%	8,811	8,731	-0.91%	8,731	8,731	0.00%	
Wholesale Trade	8,481	8,524	0.50%	8,329	8,251	-0.94%	8,191	8,178	-0.16%	8,438	8,524	1.02%	8,524	9,241	8.41%	
Retail Trade	39,611	40,025	1.03%	39,141	40,985	4.71%	39,124	40,429	3.34%	40,562	40,025	-1.32%	40,025	41,476	3.63%	
Finance, Insurance & Real Estate	7,753	8,049	3.68%	8,027	8,135	1.35%	8,332	7,998	-4.01%	8,150	8,049	-1.24%	8,049	8,331	3.50%	
Services	43,762	44,663	2.02%	43,175	44,676	3.48%	42,466	44,294	4.30%	43,263	44,663	3.24%	44,663	44,978	0.71%	
Total Government	12,560	12,099	-3.81%	11,948	12,004	0.47%	12,373	11,917	-3.69%	13,265	12,099	-8.79%	12,099	12,040	-0.49%	
SARASOTA																
Agriculture, Forestry & Fishing	1,965	2,333	15.77%	2,036	1,986	-2.46%	2,018	1,939	-3.91%	2,225	2,333	4.85%	2,333	2,081	-10.80%	
Mining	54	n/a	-	48	n/a	-	n/a	n/a	-	n/a	n/a	-	n/a	n/a	-	
Construction	8,204	9,217	10.99%	8,261	9,370	13.42%	8,772	9,225	5.16%	9,126	9,217	1.00%	9,217	9,692	5.15%	
Manufacturing	7,816	7,962	1.83%	7,872	8,168	3.76%	8,139	8,159	0.25%	8,173	7,962	-2.58%	7,962	8,743	9.81%	
Trans, Comm And Public Utilities	3,276	3,549	7.69%	3,443	3,472	0.84%	3,363	3,498	4.01%	3,536	3,549	0.37%	3,549	3,510	-1.10%	
Wholesale Trade	4,640	4,123	-12.54%	4,603	4,003	-13.03%	4,532	4,066	-10.28%	4,459	4,123	-7.54%	4,123	4,343	5.34%	
Retail Trade	32															

the peso, Mexico experienced a severe financial crisis that also threatened the stability of other emerging market economies, especially in Latin America. The United States responded by leading a group of international lenders who offered Mexico over \$40 billion in international financial assistance. Twenty billion dollars of the package was from the United States alone. This loan helped stabilize the Mexican economy and the ensuing economic growth enabled Mexico to repay the loans to the United States more than 3 years ahead of schedule. Unemployment and inflation fell in 1996, and the peso stabilized as Mexico recovered from the recession more rapidly than expected. NAFTA contributed to the adjustment process by enabling Mexico to reduce its current account deficit through increased exports rather than through slashing imports from the United States, as it had following the 1982 debt crisis.

Since the advent of NAFTA, U.S.-Mexico trade has increased. Tampico and Veracruz are Mexico's primary seaports. The government has steadily privatized port operations in an effort to improve efficiency. A wide range of business and cultural ties provide cash to local businesses. Some Tampa Bay firms are leaders in this area.



The NAFTA dispute panel is expected to rule that a central promise of the trade treaty was violated when former President Clinton refused to allow Mexican truck drivers into the U.S. Many observers say the Clinton Administration did so as a favor to the Teamster's union. The U.S. has also encouraged Mexico to crack down on the alleged monopolistic practices of Telefonos de Mexico. A self-proclaimed free trader who strongly supports the 1994 NAFTA, President Bush could find his options limited by other trade disputes. According to Riordan Roett, director of the Western Hemisphere program at the School of Advanced International Studies in Washington, President Fox has made it clear that he

wants a more open relationship with the U.S. President Bush will have to confront a number of trade issues and that will prove a test of his ability to manage relations with America's second largest trading partner.

IV. Mexican Society and Workforce.

Mexico hosts a variety of business destinations. All of the advantages and disadvantages of a world-class urban center exist in Mexico City. Taxis are preferred to car rentals, which are very expensive.

Second behind Mexico City in terms of population is Guadalajara. An estimated workforce of about 1.588 million people lives in and around Guadalajara. With 57% of the population under 25 years of age, Guadalajara provides opportunities for business growth. Business travelers to Mexico are advised to take into account cultural and environmental differences.

Drastic improvements in the last decade have occurred in telecommunications. Direct telephone dialing to the U.S is offered in most parts of Mexico. Mexico City offers nine local television stations and twenty Spanish-language newspapers and one English-language newspaper.

Among the markets in the Latin American region that have benefited from recent reforms is the Mexican real estate market. The outlook for corporate real estate opportunities in Mexico is positive. Corporate expansions will benefit from Mexico's attainment of investment grade status, the impact of NAFTA and the ongoing bank restructuring in Mexico. As profitable opportunities become more and more common, Mexican exports have become more diversified. A high volume of quality workers capable of producing high quality products will better position the nation in the new economy. Nevertheless, oil still accounts for 20% of Mexico's exports.

V. Conclusions.

Trade between the U.S. and Mexico should increase. The ability of Tampa Bay businesspersons to communicate effectively with their Mexican counterparts drives these trade relationships. High-technology goods are the backbone of Tampa Bay's trade with Mexico, and will grow as more Floridians and Mexicans gain the high-tech skills necessary to compete in the new economy. Developments in the financial services industry will enable firms to engage in profitable international trade. As Mexico shows determination to recover from the Peso crisis, world lenders such as the Ex-Im Bank are more and more willing to extend and insure credit to Mexican firms.

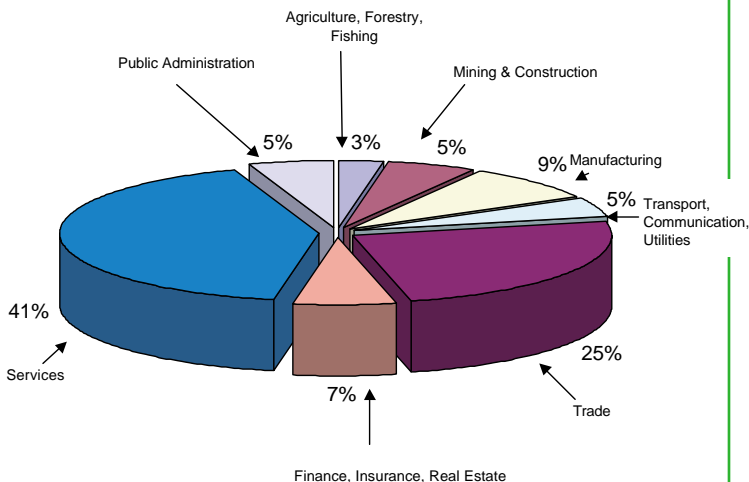
Tampa Bay: The Growing International Powerhouse

By Dr. Kenneth Wieand, Director of the Center for Economic Development Research

I. Overview.

The highly diverse counties encircling Tampa Bay incorporate three major metropolitan areas: Tampa-St. Petersburg-Clearwater, Sarasota-Bradenton, and Lakeland-Winter Haven. Tampa Bay is home to three and a third million persons, one-half of who work in one or more of the region's 89,000 payroll establishments. Every year, the region grows by 38,000 persons and 50,000 additional individuals find gainful employment. Nearly one-third of Florida's annual workforce growth occurs in Tampa Bay.

Tampa Bay's industry base reflects the size of the region's business sector and its diversity of population, natural resources and infrastructure. Agri-businesses ship citrus, and mining companies export phosphate-based fertilizers worldwide.



A recent study of the City of Tampa and Hillsborough County, performed by CEDR for the Greater Tampa Chamber of Commerce, found 30% of manufacturing businesses involved in export and/or import activities in goods and services. Regional wholesalers sell in the Caribbean Basin and in Central and South America. Businesses ship commodities through international airports in Tampa, St. Petersburg, and Sarasota, and through deepwater ports in Tampa, St. Petersburg, and Manatee.

The region is home to a flourishing international services sector. A growing financial services industry routes financial transactions through Tampa Bay. Citibank and Citicorp Financial are major exporters of financial services. Citigroup conducts Latin American and European transactions from its facilities on I-75 in

Hillsborough County. International tourism is a mainstay of the region's thriving tourist industry. A significant portion of sales and employment in Tampa Bay originates in business services enterprises. Regional law firms, accounting, consulting and administrative services firms serve customers globally. Thus, international trade and investment permeate Tampa Bay's industrial base.

II. Infrastructure for International Trade in Tampa Bay.

Access to National and International Markets.

Tampa Bay enjoys excellent highway and rail access to the eastern U.S. Two national highway systems link Tampa Bay and the U.S. Seaboard. The I4/I-275 nexus provides rapid links to Orlando, Jacksonville and to the U.S. East Coast. I-75 connects Tampa Bay via Atlanta to the large cities of the Midwest. Goods shipped into Tampa Bay along these corridors, as well as locally-produced commodities, flow through the region's airports and deep-water seaports.

Tampa Bay has the shortest shipping lanes to the eastern coast of Mexico. The Port of Tampa competes with Miami and with Texas ports for commodity shipments between the U.S. and the Caribbean and Latin America. Daimler-Chrysler ships its best-selling Mexican-produced PT Cruiser to U.S. customers through the Port of Tampa.

As with ocean access, short air-mileage to Mexico and to the Caribbean and to Latin America gives Tampa Bay a competitive edge in air travel, a potential that can be realized by attracting new international flights. The region's excellent airport facilities provide an opportunity for Tampa Bay to become a premier international air destination. Tampa Bay's mild climate and recreational facilities drive tourism and makes the region a magnet for in-migrants in all age groups.

Volume of International Trade.

The volume of traffic through Tampa Bay's deep-water shipping and airports illustrates the importance of export and import activity in the region. The Port of Tampa is the largest and most utilized deep-water port in the area, handling 25 million tons of phosphate and related products during 1999. In addition, the Port handles general export/import cargo in excess of 16 million tons annually, the largest of any Florida port in terms of tonnage. The Port provides ship repair services, offers warehousing facilities, and provides terminal docking for cruise lines. The Port of Tampa ranks 4th highest in terms of dollar value of cargo among the 11 major ports in Florida, with

over \$2.1 billion in exports and \$600 million in imports passing through its berths during 1999. The Port of Manatee is the second largest cargo port in Tampa Bay in terms of tonnage shipped. In 1997, 4.2 million tons passed through the port facilities. This volume has been projected to increase to 7.8 million tons by 2002, an annual growth rate of 13.2%. The port also offers cruise terminals and storage facilities.

The Port of St. Petersburg has recently been formed with its primary focus on development of cruise vacation activities. Future plans include other forms of commercial shipping trade.



In 1999, 15 million passengers traveled through Tampa International Airport, up 50% from 1990. Total air cargo shipped through Tampa International Airport exceeded 128,000 tons. This amount includes nearly 100,000 tons of freight with mail representing the remaining tonnage. Since 1990, the annual rate of growth in freight tonnage at this airport has been 6.8% compared with a 3.5% rate of growth in total tonnage for the same period nationwide.

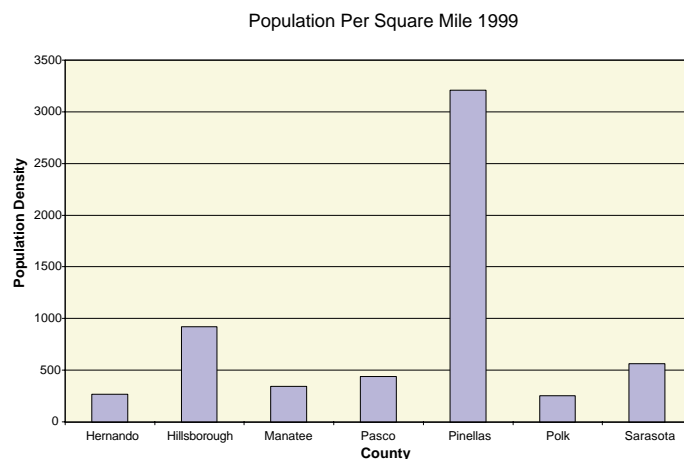
Three foreign trade zones, Tampa Foreign Trade Zone Board, Inc., Manatee County Port Authority, and Pinellas County Economic Development Department provide security services to importers and producers and tariff protection to regional exporters and importers.

III. Resources in Tampa Bay.

The extent of a region's ability to internationalize increases with the volume and diversity of resources in the region. Tampa Bay is an economic powerhouse in Florida, producing about one-third of the Florida's gross state product. The region covers significant land and water areas, boasts growing high-technology industries, and adds to its educated workforce annually.

Physical Resources.

The seven counties comprising Tampa Bay cover a land area of 5,742 square miles. Land use varies widely in the region. The coastal areas are densely populated and the interior population is less dense. Only Pinellas County is approaching the limits of developable land. Hillsborough County, though heavily developed, has significant agricultural acreage in the eastern half of the county. Low population densities for the remaining counties indicate that the region, subject to careful development planning, has no foreseeable limits to growth.



A conservative estimate of the total value of private real estate in the region, including residences, offices and industrial space, is \$112 billion. Public investment in roads and highways accommodates 4.49 million licensed vehicles, about one-half of which are private passenger vehicles. Tampa Bay supports an extensive network of utility and telecommunications connections. In sum, investment in physical infrastructure by private and public entities is in the hundreds of billions of dollars.

Demographics.

In its upcoming 2000 Market Report, CEDR estimates that Tampa Bay is home to 3,358,300 individuals in 2000. About 44% of the population is in the prime working age between 20 and 54 years. About 17% are of school age, and just under 23% are over 65 years of age. As befits a large metropolitan region, Tampa Bay's population is comprised of individuals from diverse national and cultural backgrounds. Notably, persons of Hispanic heritage contribute the ability to communicate in Spanish to regional businesses.

Human Capital Formation in Tampa Bay.

Education is a major activity in Tampa Bay. Educational activity is concentrated in the public school

and college populations. Employed individuals, however, benefit from formal and informal on the job educational programs offered by area businesses. Public school enrollment in kindergarten through twelfth grade was 384,120 in 1999, and total public and private enrollment was 431,278. Community college enrollments totaled 127,976 in the same year. Ten public technical schools offer post-secondary vocational training in centers located throughout the region, with programs in machine trades, information sciences and office skills. Over 60 private vocational schools also serve the area.



Tampa Bay is served by 19 colleges and universities. The University of South Florida (USF), the second largest of ten State of Florida universities, is the nation's 13th largest, with some 36,000 students divided among the main campus in Tampa, and regional campuses in Sarasota, St. Petersburg, Lakeland and Fort Myers. The student body includes 1,525 foreign students that come from 107 different countries.

Tampa Bay is rich in private colleges and universities. Eckerd College in St. Petersburg, a 4 year liberal arts college, offers 38 majors and enrolls 1,400 students. The University of Tampa, located in downtown Tampa, has extensive international programs for 2,500 students. The region is also home to Tampa College, (Tampa, 1,000 students), University of Sarasota, (Sarasota, 1,100 students), St. Leo University, (St. Leo, 8,000 students), Florida Southern College, (Lakeland, 2,500 students), Stetson University College of Law, (Gulfport, 600 students), and the Ringling School of Art and Design, (Sarasota, 700 students). All regional universities are innovative in developing international programs. All regional institutions of higher learning participate in study-abroad programs, and all welcome international students.

U.S. industry conducts on-the-job training on a vast scale. Seventy percent of U.S. workers receive formal and/or informal job training. The average worker receives 13.4 hours of formal training and 31.1 hours of informal training annually. By conservative estimate Tampa Bay employers offer 15 million hours of formal training and 34.8 million hours of informal training each year. This is equivalent to the hours of classroom instruction for 23,000 four-year college degrees in the Bay area annually.

IV. High Tech Industry in Tampa Bay.

Tampa Bay's education infrastructure serves a growing cadre of technology-producing and technology-using businesses. Technology based firms are poised to lead the region's expansion in the global high-technology economy.

One regional industry that is a prodigious user of information and telecommunications technology, the financial services industry, is experiencing robust growth as it expands to serve the area's growing regional population and business activity. Moreover, many national firms have selected Tampa Bay as a profitable base in which to locate support services. Companies such as Citicorp, Chase-Morgan Stanley, Geico, MetLife, PricewaterhouseCooper, Ceredian Benefits, IMR Global, and a number of others, provide high-paying, upwardly mobile employment for Tampa Bay residents.

Finance and insurance firms, as sources of regional demand for technology, stimulate the development of e-commerce and information technology. They also attract highly skilled, high-salary employees. Over 7,000 employees of non-depository lenders in 1998 earned annual salaries that averaged over \$40,000 in 1998. Insurance carriers employed over 20,000 employees at an average salary of \$38,000.

Of 190 biomedical and medical product companies along the I-4 corridor linking Tampa Bay and Orlando, 87% are in the Tampa Bay area and more than half are located in Pinellas County. Over 10,000 workers are employed in health technology, generating more than \$1.3 billion sales annually.

Central Florida is home to one of the nation's leading laser and optics clusters. 106 laser and high-tech optics companies and three industry organizations operating along the I-4 corridor generate more than \$2.2 billion in annual revenues and represent every segment and product area of the optics industry.

Tampa Bay is also home to a majority of the 17 Florida companies selected in 2000 for the Deloitte & Touche Technology Fast 500 list of the fastest growing firms in the nation. Intermedia Communications in Tampa, ranked first on the local Fast 50 list, is number 57

nationally. Other recognized firms are; Network Specialties, Tampa, (number 126); Gold Standard Multimedia, Tampa, (number 235); IMR Global Corp., Clearwater, (number 282); CommerceQuest, Tampa, (number 291); Qualitative Marketing Software, Clearwater, (number 331); Enterprises, Tampa, (number 387); Cheetah Technologies, Bradenton, (number 421); and Genesis Manufacturing, Oldsmar, (number 499).

V. Regional International Trade Development Efforts.

Employment, investment and trade will grow with population increases of between 15% and 22% over the next two decades. The region's locational advantages, and its comparative advantage in export facilities, will further boost international activity as a percent of total regional business output. Thus, the basis for expanded internationalization of the Bay Area economy is set. International trade and investment growth will require continued expansion of human capital and physical capital, and continued leadership from the region's business community and from its economic development agencies.

The seven countywide economic development entities in Tampa Bay foster international activity. All county economic development organizations in the region host foreign visitors. All are committed to informing their business communities of trade related missions, seminars, and other networking and educational opportunities. The Greater Tampa Chamber of Commerce, the Pinellas County Development Council, the Central Florida Development Council, the Economic Development Council of Hernando County report active roles in outbound and inbound trade missions.

Several counties run on-going programs related to export and/or inward investment. The Central Florida Development Council operates an International Trade Association. The Economic Development Council for Hernando County operates the *Hernando to Mexico Program*, designed help local companies promote products to Mexico.

The Sarasota-Manatee International Trade Club and the Tampa International Business Council operate ongoing education programs for international trade. The region is also home to a number of bilateral trade associations that participate in business-to-business trade missions, collect and provide country and firm-specific information, and coordinate international initiatives on a region-wide basis.

The Tampa Bay Partnership (TBP) is a regional economic development organization representing the seven counties, Hernando, Hillsborough, Manatee, Pasco, Pinellas, Polk, and Sarasota, that comprise Tampa Bay. The TBP supports regional international economic devel-

opment activities, participating in trade missions, assisting in hosting foreign visitors and inbound trade missions, and providing region-wide information resources. Notable is the TBP's directory of international organizations. The TBP is also conducting an internet and mail-based survey of company exports and imports in Tampa Bay.

When asked if their organizations had specific goals for export and/or inward investment development, seven major regional economic development organizations responded. Statements of two respondents are:

- The Greater Tampa Chamber of Commerce responds: "It is our intention to attract more and more foreign investment to the Tampa Bay region by ways of relocation, capital venture or representative offices. We also need to concentrate in promoting exports within our manufacturing base by putting into action two very distinct programs; a company visitation program and a lead diversification program."
- The Central Florida Development Council (CFDC) responds: "The CFDC is committed to assist any company in Polk County with international issues and development of inward investment."

CEDR requested each regional economic development organization to list the most important issues facing the region in its quest to internationalize the business environment. Responses were varied. Most respondents believe that efforts to enhance information resources available to their business clients is of high priority, whether by expanded training opportunities, technical support to assist overseas sales, or increased educational efforts aimed at local businesses. One respondent suggested that joint planning and execution of trade missions is important. Another respondent placed emphasis on expanded export promotion and marketing activity.

Educational resources for international business in Tampa Bay have been discussed. Of special note are programs operated by the Center for International Business (CIB) in the College of Business Administration at USF. The CIB is dedicated to expanding international business activities at USF. Outreach activities include:

- An annual series of seminars and workshops,
- Hosting the Secretariat of the Gulf of Mexico States Accord,
- Jointly with the University of Tampa, Tampa Bay Women in International Trade, and the Tampa Bay International Business Alliance, hosting the Visiting International Professionals Program.

The University of Tampa and the Stetson University College of Law are active in international business, offering seminars and educational programs, and hosting international visitors and scholars in international trade and investment.

The Economic Contributions of the Florida State Fair Authority

By Alex A. McPherson, Economist with the Center for Economic Development Research

A recent study completed by CEDR analyzed the economic contribution of the Fair Authority to Hillsborough County, the Tampa Bay region, and the state of Florida, considering all operational aspects of the Fair Authority and the resulting economic effect to each area. The Center examined the quantifiable economic effects of operational expenditures, payroll, and spending by visitors, of a number of activities promoted by the Fair Authority. Data from fiscal year 2000 were used for the analysis. The impacts of activities are measured in terms of employment, personal income, and production.

The Florida State Fair Authority came into existence in its current form in 1975 through legislative action that prompted the purchase and construction of existing facilities located in the southwest quadrant of the intersection of Interstate Highway 4 and U.S. Highway 301 in Hillsborough County. Facilities at the 319-acre site include three large exhibition halls, two areas used as stables and showgrounds for equestrian and livestock events, a collection of historical Floridian structures evoking lifestyles in the state's past, parking

for approximately 16,000 vehicles, campground facilities, and administrative and maintenance structures. The facilities are the home of the annual Florida State Fair, which, for the year of study, was attended by more than 545,000 individuals during the 17-day event. In addition to the annual Florida State Fair, various groups utilize the site throughout the remainder of the year for exhibitions, educational programs, horse, livestock, and craft shows. Moreover, the Fairgrounds are the winter training home for the Ringling Brothers and Barnum and Bailey Circus. Horse shows are a predominant activity hosted at the

Table 1
Summary Contributions

Contributions to Hillsborough County

COMPONENT	Employment	Personal Income	Output
Fair Authority Operating Expenditures	117 jobs	\$ 4,223,893	\$ 7,016,749
Fair Authority Employee Spending	25	\$ 3,019,952	\$ 2,060,620
Fair Visitor Spending	359	\$ 12,119,391	\$ 24,727,876
Event Sponsor Operating Expenditures	285	\$ 10,317,089	\$ 17,143,788
Event Sponsor Employee Spending	29	\$ 3,571,466	\$ 2,442,822
Event Visitor Spending	189	\$ 6,779,409	\$ 11,478,292
Total Multiplier Effect	1,003 jobs	\$ 40,031,201	\$ 64,870,147
Fair Authority Direct Effect	74	\$ 2,548,428	\$ 11,929,477
TOTAL CONTRIBUTIONS	1,077 jobs	\$ 42,579,629	\$ 76,799,624

Contributions to Tampa Bay Region

COMPONENT	Employment	Personal Income	Output
Fair Authority Operating Expenditures	134 jobs	\$ 4,913,717	\$ 8,371,596
Fair Authority Employee Spending	33	\$ 3,400,025	\$ 2,743,915
Fair Visitor Spending	403	\$ 13,942,927	\$ 28,426,182
Event Sponsor Operating Expenditures	327	\$ 12,005,466	\$ 20,458,858
Event Sponsor Employee Spending	40	\$ 4,017,985	\$ 3,246,771
Event Visitor Spending	214	\$ 7,823,914	\$ 13,507,700
Total Multiplier Effect	1,150 jobs	\$ 46,104,034	\$ 76,755,022
Fair Authority Direct Effect	74	\$ 2,548,428	\$ 11,929,477
TOTAL CONTRIBUTIONS	1,224 jobs	\$ 48,652,462	\$ 88,684,499

Contributions to State of Florida

COMPONENT	Employment	Personal Income	Output
Fair Authority Operating Expenditures	248 jobs	\$ 8,884,121	\$ 15,852,480
Fair Authority Employee Spending	39	\$ 3,617,108	\$ 3,260,681
Fair Visitor Spending	500	\$ 17,371,173	\$ 35,583,526
Event Sponsor Operating Expenditures	608	\$ 21,741,993	\$ 38,754,574
Event Sponsor Employee Spending	46	\$ 4,266,720	\$ 3,849,312
Event Visitor Spending	349	\$ 12,495,475	\$ 22,402,750
Total Multiplier Effect	1,790 jobs	\$ 68,376,590	\$ 119,703,323
Fair Authority Direct Effect	74	\$ 2,548,428	\$ 11,929,477
TOTAL CONTRIBUTIONS	1,864 jobs	\$ 70,925,018	\$ 131,632,800

facilities, representing over one-third of the total number of event sponsors. During fiscal year 2000, 82 event

sponsors (28 equestrian sponsors and 54 others) hosted numerous events, which were attended by more than 634,000 people.

Methodology used in the analysis included use of the REMI Policy Insight™ model, which simulate economic events, such as a change in economic activity in an industry, to dynamically estimate the economic and demographic effects on the regional economy. Initial, or direct, spending by an institution causes subsequent rounds of indirect and induced spending as the demand generated by the spending ripples through the economy. These subsequent rounds of spending produce an effect that is a multiple of the initial spending, commonly referred to as a multiplier effect. Indirect and induced spending, when combined with the initial spending, represent the impact, or contribution, to the economy of the direct

Table 2
Industry Breakdown of Contribution Totals

GRAND TOTAL OF FAIR AUTHORITY AND EVENT CONTRIBUTIONS TO HILLSBOROUGH COUNTY

Sector	Employment	Personal Income	Output
Manuf.-durable	4 jobs	\$ 374,148	\$ 678,271
Manuf.-nondurable	8	\$ 496,683	\$ 1,440,126
Mining	*	\$ 890	\$ 3,661
Construction	54	\$ 2,408,344	\$ 5,904,770
Transport. & Utilities	17	\$ 1,298,212	\$ 3,570,631
FIRE	36	\$ 1,763,234	\$ 7,480,221
Retail Trade	173	\$ 3,795,723	\$ 8,089,741
Wholesale Trade	24	\$ 1,683,282	\$ 3,695,610
Services	671	\$ 26,860,618	\$ 33,251,930
Agriculture	7	\$ 144,281	\$ 144,934
Government	10	\$ 1,004,805	\$ 610,252
Other	*	\$ 200,981	\$ -
TOTAL	1,003 jobs	\$ 40,031,201	\$ 64,870,147

GRAND TOTAL OF FAIR AUTHORITY AND EVENT CONTRIBUTIONS TO TAMPA BAY REGION

Sector	Employment	Personal Income	Output
Manuf.-durable	13 jobs	\$ 899,792	\$ 2,250,404
Manuf.-nondurable	12	\$ 717,174	\$ 2,376,284
Mining	1	\$ 42,321	\$ 87,234
Construction	70	\$ 3,076,229	\$ 7,725,580
Transport. & Utilities	20	\$ 1,515,827	\$ 4,255,264
FIRE	45	\$ 2,177,303	\$ 8,833,740
Retail Trade	217	\$ 4,841,271	\$ 10,320,621
Wholesale Trade	30	\$ 2,012,299	\$ 4,451,362
Services	718	\$ 28,998,015	\$ 35,391,104
Agriculture	11	\$ 229,287	\$ 228,250
Government	13	\$ 1,354,182	\$ 835,179
Other	*	\$ 240,336	\$ -
TOTAL	1,150 jobs	\$ 46,104,034	\$ 76,755,022

GRAND TOTAL OF FAIR AUTHORITY AND EVENT CONTRIBUTIONS TO STATE OF FLORIDA

Sector	Employment	Personal Income	Output
Manuf.-durable	29 jobs	\$ 1,971,957	\$ 5,296,782
Manuf.-nondurable	18	\$ 1,092,193	\$ 3,683,837
Mining	2	\$ 67,495	\$ 179,919
Construction	106	\$ 4,595,959	\$ 11,595,043
Transport. & Utilities	31	\$ 2,232,519	\$ 6,453,910
FIRE	64	\$ 3,041,587	\$ 12,926,339
Retail Trade	299	\$ 6,759,615	\$ 14,520,691
Wholesale Trade	45	\$ 2,867,758	\$ 6,662,640
Services	1,156	\$ 42,890,288	\$ 56,714,276
Agriculture	18	\$ 369,088	\$ 366,962
Government	21	\$ 2,123,093	\$ 1,302,923
Other	*	\$ 365,037	\$ -
TOTAL	1,790 jobs	\$ 68,376,590	\$ 119,703,323

* = More than one part-time equivalent job

spending. The REMI model uses initial spending data input by specific form to dynamically determine the extent of the multiplier effect through analysis of the interactions of industry production factors and household spending patterns. Financial data from the Fair Authority and from sponsored events, including expenditures, payroll, and attendance estimates, were individually input into the model to assess the significance of contribution by each item. Fair Authority input data was obtained from the most recent financial statements and from attendance figures from the most recent state fair. A 1998 state fair exit poll was used to estimate the number of attendees originating from various locations: visitors from Hillsborough County, other parts of the Tampa Bay region (Hernando, Manatee, Pasco, Pinellas, Polk, and Sarasota counties), visitors from locations in the remainder of the state, and out-of-state visitors. Additionally, a questionnaire was mailed to each of the 82 event sponsors, requesting data similar to that provided by the Fair Authority: operating expenditures, payroll, and attendance. For the purpose of analysis, individual event sponsor data was aggregated into two general group categories: equestrian and other-than-equestrian. The model results in each category of input for the three areas studied are indicated in Table 1. Immediate Fair Authority activities including expenditures, payroll, and

hosting the Florida State Fair, provide economic contributions of about the same magnitude as does the sum of all forms of sponsored event contributions. The largest economic contribution of the various types of sponsored events is provided by the Other-Than-Equestrian type of event. The economic contributions brought about by wintering activities of the circus run a close second.

CEDR analyzed economic contributions of Fair Authority activities at the 1-digit Standard Industry Classification (SIC) level. In all cases, the activities have the most profound effect in the services sector. This suggests that, for the type of amusement and recreation function that the Fair Authority serves, the primary beneficiaries of the public, private, and visitor expenditures are service types of businesses and their employees. Analysis also indicates that the long-term effects of the Fair Authority activities are not easily replicated. Were it to be the case that the Fair Authority ceased to exist permanently, in a period of 35 years following such a cessation, the economy would only recover about half the jobs originally lost, and these recovered jobs would be lower quality in terms of disposable personal income.

The full text of the report can be found online at the CEDR website, (<http://cedr.coba.usf.edu>) under "Recent Projects".

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