

TULSA WORLD

Tulsa is No. 52 in national export growth



Tom Golden, president of Midwestern Manufacturing, stands near one of the company's products Monday in Tulsa. MATT BARNARD / Tulsa World

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The Tulsa area produced \$5.5 billion in exports in 2008, ranking it No. 52 out of the nation's largest metro areas, according to a new report by the Metropolitan Policy Program at the Brookings Institution.

"Export Nation: How U.S. Metros Lead National Export Growth and Boost Competitiveness" is a comprehensive analysis of the export of goods and services produced in the nation's 100 largest metro areas.

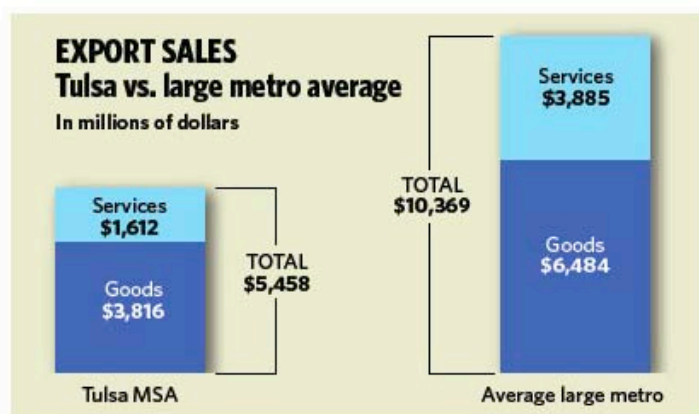
Exports accounted for 13.8 percent of Tulsa's total economy in 2008 and supported 53,501 jobs, according to the report.

Metro Oklahoma City's exports totaled \$3.9 billion in 2008,

ranking it No. 63.

Export growth in Tulsa between 2003 and 2008 was robust, expanding at 15.7 percent. Average wages in its largest export industry — machinery manufacturing — were \$54,195, above the U.S. average of \$45,563, the report states.

"Over the last few decades wages have been fairly stagnant for most middle-class Americans, but wages in exporting industries can remedy that to a large extent because they are the most innovative sectors of the economy, and they're the industries with the greatest potential for long-term, sustainable growth," said Jonathan Rothwell, a senior research analyst with Brookings and one of the report's co-authors, in a phone interview.



Source: Brookings Institution

DAVID HOUSH/Tulsa World

Machinery manufacturing, petroleum and coal products manufacturing, transportation equipment manufacturing, tourism, and freight and port services are the Tulsa area's major export industries.

Oil and gas extraction is a strong export cluster for Tulsa, Rothwell noted. The Tulsa area ranked No. 6 for having 10 export industry clusters, while the Oklahoma City area's five export clusters ranked No. 71.

"It's an indication of where local business leaders and political leaders should start the conversation on where they are competitive," he said. "It's not necessarily a guarantee of success to have more clusters, but we do know from a wide body of academic research that more clustered industries tend to have better productive performance."

Exports have grown as a percentage of business for Tulsa-based Midwestern Manufacturing Co. Whereas about 25 percent of Midwestern Manufacturing's revenue was generated from export sales in 2008, today it's more like two-thirds, or 67 percent, said Tom Golden, president of the company, which is a wholly owned subsidiary of Midwesco Industries Inc.

Midwestern Manufacturing makes hydraulic attachments that convert tractors into cross-country pipe layers. The attachments fit on Caterpillar, John Deere, Case and Komatsu tractors.

Golden noted that the company's sales are down dramatically from levels that were achieved in 2008, when it had the best sales revenues in 50 years.

Since the end of 2008, however, there seems to be more equipment purchasing overseas than in the United States, said Golden, noting that a higher percentage of the company's sales is going to the Middle East, Latin America and South Africa.

According to the report from Brookings, U.S. exports supported 11.8 million jobs nationally and 7.7 million jobs in the top 100 metro areas in 2008. Demand from outside the United States continues to increase much faster than demand inside the country, promising more job creation in future years.

"One of the central messages is definitely that exports can play a role in the short term in providing much-needed jobs during the recession and in the long term by tapping into growing markets around the world," Rothwell said. "Metropolitan areas play a key role in exports, and it's time that federal leaders and local leaders start thinking of trade policy beyond just trade rates and tariffs, and try to extract lessons from the most successful metropolitan exports."

The greatest potential for export growth in the coming years will be with Brazil, India and China, where middle-class consumption is expected to reach 26 percent by 2020, the report stated.

Canada was Tulsa's leading export market, with \$980 million in exports in 2008, followed by Mexico at \$533 million. Other leading export markets were the United Kingdom, Japan and China.

Brazil, India and China accounted for only 8.2 percent of Tulsa's exports in 2008, giving it a No. 83 ranking.

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