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## **Trade as a Strategy for Success in the 21<sup>st</sup> Century Global Marketplace: Why Free Trade is Important to U.S. Regions**

*Michael Kennedy*  
*National Association of Regional Councils*

On Thursday November 8<sup>th</sup>, Economic Development Today showcased the best practices and strategies from regional economic development by interviewing three prominent trade experts. The telecast featured inventive new approaches to further their regions trade in the international marketplace. World-wide trade with regions produces jobs, greater business opportunities and the benefits of increased sales revenue lead to a larger community tax base which results in greater local infrastructure development.

The host, Sandy K. Baruah, Assistant Secretary of Commerce for Economic Development, addressed the benefits of free trade. “Our U.S. exports have increased by 11 percent over 2006, and for the first time in memory, the rate of growth of our exports is greater than our growth in imports. This has led to a narrowing of our trade deficit by nearly eight percent or \$30 billion compared to the same period in 2006.”



U.S. Secretary of Commerce Carlos M. Gutierrez, encouraged the importance of opening global markets for U.S. companies through free trade agreements so our companies can continue innovating and competing to build a stronger American economy.

He provided an updated on the current congressional activity “There are four more free-trade agreements with Peru, Colombia, Panama and South Korea pending before Congress.”

“In recent months, I have traveled to three Latin American countries, bringing republican and democrat members of Congress to Colombia. I wanted them to witness firsthand the tremendous progress in each country and the envisioned potential for greater growth with free-trade agreements.”



Eric Farnsworth, representing the Council of Americas, gave us insight on thriving congressional trade issues with South America and NAFTA. His thoughts on the relationship between free-trade and successful economic development in the 21st century global marketplace were clear. There is no substitute for open markets, open trade and investment. When economies are open to the world, they open exports, they bring investment capital and thus producing wealth into the region **Every major economy trades internationally those**

**who don't suffer.**

When asked about NAFTA and its implication have down the road he gave a fresh prospective on the situation. ***“NAFTA is a real win for America.”*** Farnsworth said. For years they have had unilateral access to the United States market, and we have not had equal access to their markets, all we're doing is opening up their markets to us and equalizing the playing field. This is important because the jobs associated with exports have higher wages than other jobs which helps drive our national prosperity.



View the Website at: [www.naita.com](http://www.naita.com)

Anne Burkett, Executive Director of the **North Alabama International Trade Association (NAITA)** emphasized the importance of educating and marketing free trade within the region. NAITA has developed a unique public-private partnership for trade with both the government sector and the private industry. NAITA is a business-driven organization with the mission to be a catalyst for trade development and growth opportunities in North Alabama. NAITA provides an international networking forum and education on trade issues to prepare businesses for global success. “Growth for companies in the



international markets means expansion of jobs and our tax base; that's our motto", says Burkett. NAITA focuses its efforts on assisting small, medium-sized and "homegrown" companies. She also stressed that these companies, although not household names and often overlooked are sometimes the best candidate for international trade. For example, Mid-America Engine, Inc. offers its customers a full range of low hour, high quality, new and used power generation equipment, including engine driven generators. NAITA has expanded its regional outreach with its annual "Trade Education Tour" by working with the chamber of commerce of several counties and rural economic developers across the region. Since then, north Alabama is home to more than 80 international companies.

**What advice would you give to someone just starting out with international trade?**

- First I would identify stakeholders involved in international trade – bankers, freight forwarders, trade resources, state resources, universities, government partners, regional stakeholders in transportation, marketing and Exporters
- Start a conversation on why trade is important
- Conduct survey of which companies are involved in international trade and what are their barriers; personnel involved in trade activities
- Seek ways to add-value
- Monitor websites and contact other successful programs to find out what they are doing and adapt to your specific needs/area

Collectively these companies represent 18 different countries. The people and business culture of North Alabama are very supportive of international trade. For more information on NAITA, visit [www.naita.org](http://www.naita.org).



William Stafford, President of Trade Development Alliance of Greater Seattle, claimed Seattle got their act together by collaborating with all partners around one table. He emphasized that "*everyone must be on the same song sheet*" referring to his roundtable discussions.

The Trade Development Alliance developed a strategic promotion plan to enhance the identity of Greater Seattle in targeted world markets through marketing publications, trade missions and other activities.



The Trade Development Alliance establishes working relationships with export promotion, international tourism and international trade and investment organizations to coordinate this marketing. Mr. Stafford has lead the charge on these initiatives.

When asked what was the biggest misconception the public has about free-trade he pointed out that one in three jobs are tied to international trade. He also illustrated

“if you're a barber, one in three people getting a haircut is going to be paid out of the international economy”.

He was also equally passionate about communication programs and educating the public. He wants to enable them to understand exactly how jobs are created through the international economy and how it affects them directly and indirectly.

To view this telecast from the Economic Development Administrations website at: <http://www.eda.gov/NewsEvents/WebCastsVideos.xml> .

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*This telecast was moderated by, Sandy K. Baruah, Assistant Secretary of Commerce for Economic Development, U.S. Department of Commerce. It may be viewed in full on the EDA website at: [www.eda.gov/NewsEvents/WebCastsVideos.xml](http://www.eda.gov/NewsEvents/WebCastsVideos.xml).*

*If you have any questions on the telecast series or ideas for future telecast topics, please contact its producer, Peggy Tadej, Director of Research and Grants, NARC, at 202.986.1032 ext. 224 or [tadej@narc.org](mailto:tadej@narc.org).*