

PROFILE FOR

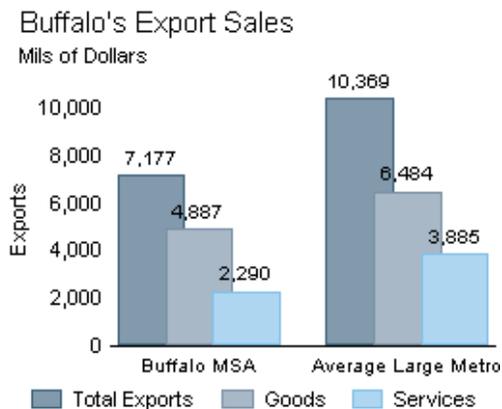
Buffalo-Niagara Falls, NY MSA

Why Exports Matter to the Country, And Why Metros Matter to Exports

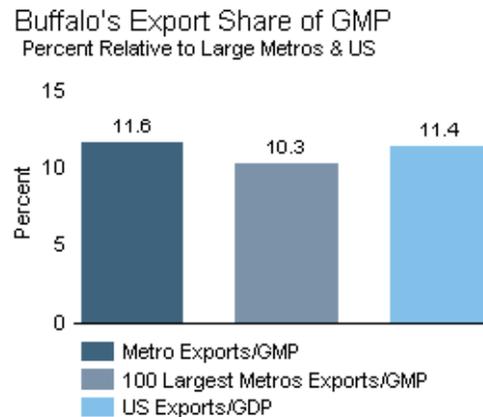
Even before the devastation wrought by the Great Recession, the U.S. economy was struggling against substantial structural weakness. Despite periods of rising prosperity, the last three decades have been characterized by middle- and lower-income wage stagnation; a lack of job opportunities for those without college degrees; and a speculative bubble-inducing trade deficit. A significant increase in U.S. exports could dramatically improve each of these conditions. Because metro areas are where over 83 percent of U.S. exports are produced, strategies to enhance their unique concentrations of industry clusters and specific competitive advantages would greatly strengthen national export performance.

Buffalo's Unique Export Profile

Buffalo produces \$7.2 billion in total exports. As a share of its total economy, 11.6 percent of what it produces was exported in 2008, supporting 47,962 jobs. Recent export growth in Buffalo has been below average, expanding at 7.5 percent. Average wages in its largest export industry were \$56,614, above the U.S. average. The metro has 6 export industry clusters. Finally, its major export industries are Chemical Manufacturing, Machinery Manufacturing, Transportation Equipment Manufacturing, Business, Professional, and Technical Services, and Tourism.



Brookings Institution analysis of various data for Buffalo-Niagara Falls, NY MSA



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AT A GLANCE

EXPORTS ANNUALLY

\$7.2 billion
(Rank 40)

EXPORT SHARE OF GMP

11.6%
(Rank 38)

EXPORT JOBS

47,962
(Rank 45)

Buffalo's Key Export Indicators For 2008

	Metro	Metro Rank ¹	100 Largest Metro Areas	United States ²
Exports (in blns USD)	7.2	40	1,037	1,609
Exports as a share of GMP	11.6	38	10.3	11.4
Number of export-related jobs	47,962	45	7,688,744	11,854,390
Percent annual growth rate of exports, 2003-2008 (inflation adjusted)	7.5	64	8.7	9.2
Average wages in leading export industry ³	\$56,614	68	\$66,449	\$45,563*
Number of export clusters ⁴	6	49	6.7	N/A
Percentage of exports sold to Brazil, India and China	9.2	18	8.6	8.8

Source: Brookings analysis of Moody's Economy.com, the Institute of International Education (IIE), the Internal Revenue Service (IRS), the United States Bureau of Economic Analysis (BEA), the United States Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wage (QCEW) and Integrated Public Use Microdata Series (IPUMS) (for metro industry wages), and the United States International Trade Commission (USITC) data. GMP refers to Gross Metropolitan Product. 1. A rank of 1 signifies the highest value among the 100 largest metropolitan areas. 2. The export values for the United States refer to U.S. domestic private exports, excluding scrap materials and used merchandise. 3. Data for individual metros refer to the leading exporting industry by value; data for the largest 100 metros refer to the average large metro's wage in its leading export-industry (using QCEW and IPUMS); *data for the US refer to all industries as reported by the QCEW. 4. An export industry is defined as clustered in a metropolitan area if its export value is at least 50 percent larger as a share of the metro economy than the industry's exports are relative to the U.S. economy.

Buffalo's Export Markets For 2008

Largest Export Markets Based on Metro Industry Composition	Value of Metro Exports (in mils USD)
Canada	1,091
Mexico	627
UK	483
Japan	431
Germany	342
Largest U.S. Export Markets for Top Metro Export Industry—Chemical Manufacturing	Value of Metro Exports (in mils USD)
Canada	246
Mexico	184
Netherlands	120
Belguim	109
Germany	100

Example Export Companies

Niagara Ceramics Corporation
 Oxygen Generating Systems Inc.
 Flexo Transparent Inc.
 Honeywell International
 Buffalo Blends Inc.

Sources: ITA Foreign Trade Zones, Journal of Commerce, local chambers of commerce

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