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PORT OF SOUTH LOUISIANA AND WORLD TRADE CENTER OF NEW ORLEANS USE OP-ED TO OUTLINE THE SIGNIFICANCE OF INTERNATIONAL TRADE TO LOUISIANA

Today, in an opinion editorial in a national publication, Port of South Louisiana Executive Director Paul Aucoin and World Trade Center of New Orleans CEO Caitlin Cain outline the importance of international commerce to Louisiana and urge the current administration to seek common ground with our trading partners when evaluating trade deals for the United States.

The piece, incorporated below, was published by Real Clear Policy, a highly influential online journal read by Washington, D.C. insiders including members of Congress, congressional staff, administration officials and policy experts.



June 26, 2018

Trade Wars Risk American Prosperity

By Paul Aucoin & Caitlin Cain

The president and his administration are right to try to improve trade deals for the United States. All Americans have an interest in ensuring that businesses in this country maximize profits, fairness, and opportunities with our international trading partners.

That being said, it is critical for our nation's leaders to remember that trade is an essential part of our economy. Perhaps no state more than Louisiana benefits from international trade. But what is good for Louisiana is also good for the nation, because businesses throughout the United States small and large — share in the financial rewards of international commerce.





Louisiana's importance to global trade is geographical. At the bottom of our state, the Mississippi River empties into the Gulf of Mexico, where goods are transported across the globe. Visit our region, and you will notice the expansive infrastructure supporting our oil and petrochemical industries, which supply the world with fuels, plastics, and many other critical products.

Walk by nearly any stretch of the Mississippi River in Louisiana, and you will see barges moving down the river filled with grains — such as corn, wheat, and soy — destined to be loaded onto massive cargo ships and distributed around the world. In fact, <u>31 states export their commodities via the Mississippi River</u>.

Today, more than 60 percent of all grain exported from the United States is shipped via the Mississippi River. Indeed, the Mississippi River Basin produces 92 percent of the nation's agricultural exports and 78 percent of the world's exports of feed grains and soybeans. Every year, over \$21 billion in agriculture exports are shipped through Louisiana's port system; shipments grew rapidly in 2017 and we are on pace to do the same in 2018.

When you consider that one of every three acres of crops planted in the U.S. are exported, it is obvious why trade is essential to the economies of farm states such as Iowa, Illinois, Kansas and Indiana. In fact, in recent years, the total economic output produced by U.S. agriculture exports reached \$340 billion, including \$150 billion in export value and an additional \$190 billion in other economic activity. Across our nation, 1.1 million jobs are supported by U.S. agricultural exports, including 764,000 in the non-farm sector, which are required to assemble, process, and distribute agricultural products for export.

According to the U.S. Department of Commerce, Louisiana exported \$56.5 billion dollars' worth of goods in 2017, with China receiving the most — helping to ease the growing trade imbalance with that nation. In addition to agricultural exports, petroleum and coal products sent overseas from Louisiana totaled over \$1.8 billion dollars. In 2016, exports from Louisiana created 128,623 jobs — an increase of 41,000 jobs over the previous decade. The Port of South Louisiana alone supports over 30,000 jobs in our region, which is more than 60 percent of jobs in this part of the country.

At the Port of South Louisiana, the largest port by tonnage in the Western Hemisphere, some of the biggest and most successful corporations in the world currently operate such as Marathon Petroleum Corporation, DuPont, Shell, Cargill, Dow, Syngas and Archer Daniels Midland (ADM). These companies employ thousands of people in Louisiana and anchor our statewide port system and regional economy; they are indeed a testament to the importance of international trade.

In our state, 67,700 workers are employed as a result of global investment — an increase of 20 percent since 2010. Foreign businesses make this investment in Louisiana (and in other states across the nation) because they believe in our country's commitment to international commerce. Jobs in U.S. exporting firms pay on average <u>up to 18 percent more</u> than similar jobs in non-exporting firms.

Any way you look at it, international commerce is absolutely critical to our state's economy.

But it's not just large multinational corporations profiting from global commerce in Louisiana. Small firms are a major contributor to international trade. According to the International Trade Association, a total of 3,732 companies exported goods from Louisiana in 2015. Of these, 3,140, or 84.1 percent, were small firms; they generated 32.7 percent of Louisiana's \$47.6 billion in total exports. According to recent data, if the United States pulled out of the NAFTA agreement, our state alone would lose almost 26,000 jobs and \$1.4 billion dollars in economic output. That would hurt all businesses in our state, both large and small.

We urge our leaders in Washington to remember the importance of international commerce and seek common ground with our trading partners. There is nothing wrong with trying to get better trade deals for American workers and companies — but we must not let that impede what is already working for our nation's economy.

Caitlin Cain is the CEO of the World Trade Center of New Orleans (WTCNO), a non-profit organization of over 1,000 corporate and individual members dedicated to fostering and promoting international business and trade in Louisiana.

Paul Aucoin is the Executive Director of the Port of South Louisiana, the largest foreign trade zone for merchandise received in the U.S. with \$75 billion in cargo and the <u>number one Grain Exporter</u> in the nation.

Link

https://www.realclearpolicy.com/articles/2018/06/26/trade wars risk american prosperity 110686.html

About the Port of South Louisiana

The Port of South Louisiana is a 54-mile port district on the Mississippi River between New Orleans and Baton Rouge, encompassing the parishes of St. Charles, St. John and St. James. The facilities located within the port's district consistently handle over a quarter billion short tons of cargo annually, ranking it the largest tonnage port district in the Western Hemisphere (and the 16th largest in the world), the nation's greatest grain exporter, and one of the major energy transfer ports in the United States. Along the 108 miles of deep-water frontage on both banks of the river there are seven grain transfer facilities, four major oil refineries, 11 petrochemical manufacturing facilities and several other facilities for a total of more than 50 docks owned and operated by an impressive group of companies in the Port District, such as ADM, ArcelorMittal, Cargill, DowDupont, Marathon, Shell, Nucor Steel, Occidental, Valero, and Occidental Chemical. The Port also owns and operates the Executive Regional Airport (KAPS). To learn more, visit us at www.portsl.com, like us on Facebook, and follow us on LinkedIn.

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