» Export Promotion Programs
Despite exports being the bright spot of U.S. economic recovery, only 1 percent of small businesses are exporting, describing their greatest barrier as lack of information or understanding. State international trade agencies are on the front lines steering companies through the export promotion process, from identifying opportunity in foreign markets to assisting companies with export control compliance. Exporting companies create good jobs and boost state economies. To support this trend, state governments can invest in programs that create an environment for small business export success. Better coordination with the federal government on export promotion also is essential to limit duplicative services and streamline the overall exporting process. In 2015, states will be looking to Congress for renewal and full funding of the State Trade and Export Promotion Program, a state-managed federal matching grant that directly supports business exports.

» Attracting Foreign Direct Investment
The contributions to the U.S. economy by subsidiaries of foreign companies were nearly double that of U.S. companies in 2013. Foreign direct investment is a proven catalyst for economic growth and states are leading the charge attracting international partners across the globe. Global trends show the U.S. share of foreign direct investment stock is facing tough competition from other regions, particularly the European Union and developing nations. States will be looking to pursue policies that offer a better business climate to attract more foreign investors.

» International Trade Agreements
The U.S. is negotiating major agreements with the Trans-Pacific and European Union regions. On completion, these agreements will provide enhanced access to 39 new markets. States will be readying themselves for this opportunity by providing resources to exporters and preparing for challenges that may arise as a result of the trade deals. For example, states should thoroughly explore the implications of enhanced access to procurement markets—an area of state competence that cannot be negotiated at the federal level.

» Trade Facilitation
U.S. companies are exporting more goods than ever before, and this trend is growing exponentially. The U.S. Customs and Border Protection agency, however, is ill equipped to handle the surge of exports. Inefficient border procedures can add 15 percent to the cost of traded products. With more than 28 percent of U.S. gross domestic product tied to trade, states will be tackling the issues that add uncertainty and unnecessary barriers to trade, such as border wait times.

» Higher Education Internationalization
States have recognized that increased international exposure can contribute to economic growth and increased opportunity to attract trade and foreign investment. While international education has traditionally been a focus of higher education institutions and national efforts, several states are formalizing their approach to attract foreign students and encourage foreign exchange in strategic economic and workforce development plans. This is a growth area for states in an increasingly competitive field. According to the Institute of International Education, 820,000 foreign students enrolled in U.S. institutions in 2013; that’s a 40 percent increase since 2001.

For more information on these topics and for additional resources on international Affairs policy, see » www.csg.org/top5in2015.
Catherine Bray serves as director of CSG Global at the Council of State Governments and executive director of CSG affiliate the State International Development Organizations. In this role, Bray represents state governments to the foreign embassy community, the academic and think tank community and relevant federal agencies such as USAID and the Department of Commerce. International trade is an important part of understanding how global trends affect state policymaking and, in her role coordinating exchange between the 50 state trade directors and economic development officers, Bray works with the CSG federal affairs team to build understanding in Congress and ensure support for federal programs supporting state export promotion.

Bray has spent the last seven years in Washington, D.C., specializing in international outreach programs for various think tanks, other nonprofits, political groups and corporations. She previously spent seven years working in the European Parliament in Brussels. A British national, Bray has expert knowledge of the workings of Capitol Hill, Brussels and London.

GET INVOLVED

CSG Global adds value to CSG’s public policy work by providing a global context, comparing and exploring innovative policies from around the world to help tackle issues at home. The program is also a CSG service and training initiative providing state leaders a variety of opportunities to share experience and learn from international counterparts. In 2015 CSG Global will focus on training state leaders in key international policy areas to build greater understanding of increasingly complex global challenges and America’s role in facing these challenges.

International trade is a core component of a state’s global interaction. CSG Global has a special focus on state export promotion, investment attraction and trade policy. With CSG affiliate, the State International Development Organizations, CSG works directly with the 50 state trade agencies to share best practices and advocate for robust state international trade programs and efficient coordination with the federal government on trade.

The CSG International Committee is co-chaired by Idaho Sen. Bart Davis and Alaska Sen. Gary Stevens. The committee vice chairman is Ann Pardalos, president of SIDO and manager of international trade for Missouri. The committee oversees CSG Global activity and assists in promoting an international focus through a variety of workshops and training events at CSG meetings.

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