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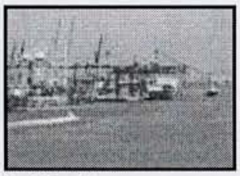
Miami-Dade trade study shows growth in jobs and value added

South Florida Business Journal - by Julia Neyman

International trade contributes $51 billion a year to Miami-Dade County's economy and employs 7.5 percent of the county's labor force, a new international trade study shows.



Mark Freerks

Enhanced infrastructure could help facilitate trade at the Port of Miami, a study concludes.

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The Economic Impact of International Merchandise Trade in Miami-Dade County, commissioned by the **Jay Malina International Trade Consortium**, shows that Miami continues to play a strong role in international trade, but warns that the county must work to keep trade levels up.

"The results we have bode well for continued growth in international trade," said Manuel Lasaga, president of StratInfo, which conducted the study. "But, it is not assured."

The proportion of the county's jobs supported by international trade is down slightly from 2003, the last time the study was conducted. Lasaga said the decrease is due to manufacturing jobs moving offshore, and to South Florida's real estate boom, which added a disproportionate amount of jobs in the construction industry. The value added from Miami-Dade's construction sector increased by 66 percent from 2003, while the value added from wholesale trade increased by 26 percent.

But, the jobs are paying better: Direct employment in trade pays an average of $54,000 a year, which is 31 percent higher than the county's average earnings. Five years ago, trade jobs were paying 26 percent higher than average. One reason is that manufacturing has shifted away from textiles and garment assembly, towards more technology intensive sectors like medical equipment manufacturing.

"The impact of international trade has grown substantially over time," the study said. "Relative to 2003, local value added ... is up by 20.7 percent, the overall number of jobs has increased by 5.3 percent, and the total employee compensation has increased by 17.8 percent."

Boom in China trade

Latin America continues to be Miami's primary trading partner, but the county is increasing its presence in the Far East, especially in China. The rest of South Florida has also experienced strong growth with China - which has moved from being at the bottom of the list of South Florida's top 20 trading partners just a few years ago to being the region's No. 2 source of imports in 2007.

"We continue to trade with China at a faster rate than we are with others," said Carlos Buqueras, business director for **Port Everglades**. "It's become our manufacturing point, and we've become a distribution point, not just for the U.S., [but] also for Latin America."

Miami-Dade continues to position itself as a hub between China and Latin America with raw materials headed to Asia and finished products heading south.

The county's trade outlook for the next decade seems sunny: The study predicts the value added by international merchandise trade will jump to $20 billion in 2017 from $9 billion in 2006.

But, Miami-Dade's trade success depends on several factors, including regional free trade agreements, private sector investment in transportation and warehousing, and the county's ability to improve its infrastructure, authors said.

Lasaga said the easing of banking regulations will facilitate trade, as will passing pending free trade agreements with Colombia, Peru and Panama.

He said Miami-Dade County must also do its part to make sure it is ready for increased trade, especially once the Panama Canal widening project is complete.

One major component is the controversial **Port of Miami** tunnel project, which is making its way through county government. Port of Miami director Bill Johnson, who has pushed hard for the tunnel since taking his post a year and a half ago, said the project is part of the port's effort to stay competitive.

"We will continue updating existing infrastructure and construct new facilities to keep up with vast changes in the industry," he said, noting the port's plan to deepen its harbor from 42 feet to 50 feet.

"It's necessary for this infrastructure to materialize," Lasaga stressed. "If not, we'll be competing with antiquated infrastructure while other ports benefit from efficient facilities that allow for quick and easy movement of goods."

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