

2014 OKLAHOMA'S GLOBAL REPORT



**THE STATE OF
SUCCESS**

OKLAHOMA
DEPARTMENT OF COMMERCE
OKcommerce.gov



-Governor Mary Fallin

Gov. Mary Fallin

The following report was compiled by the Oklahoma Department of Commerce and documents the extensive economic impact that international businesses have on our state. With more than 160 international companies operating within our borders, Oklahoma is a true destination state for national and international commerce. We are proud of our international presence and committed to growing that presence through pro-business policies that encourage job growth and prosperity.

As governor and the chief advocate for state commerce, it is my job to create an economic climate conducive to wealth creation and investment in the state of Oklahoma. To accomplish this goal, my administration has pursued an aggressive pro-growth agenda in cooperation with the Legislature, the Department of Commerce and Oklahoma's business community. That agenda has helped Oklahoma's economy thrive, and we continue to be a leader in fields as diverse as energy, aerospace, agriculture and biosciences.

Today, international business continues to be a key ingredient in Oklahoma's economic success. Foreign investment was responsible for 3.8 percent of the state's total private-industry employment, with the majority of these investments coming from Canada, France, the United Kingdom and Switzerland. In addition to employing over 48,200 Oklahomans, global companies brought in millions in capital investment, helped spur advances in intellectual property and provided valuable training. Once located here, international companies purchase goods and services from domestic businesses and are more likely to export products outside of Oklahoma and the United States. This creates a supply chain effect that produces direct, indirect and induced benefits.

In addition to Oklahoma attracting foreign direct investment, global trade is also driving our economic growth, having increased more than 40 percent since 2009. Merchandise exports from Oklahoma reached \$6.3 billion in 2014, contributing to another record-setting year for the U.S. in the value of goods and services exported: \$2.35 trillion. A total of 3,241 companies exported from Oklahoma in 2014. Of those, 2,743 (84.6 percent) were small and medium-sized enterprises with fewer than 500 employees. On average, small and medium-sized firms generate nearly 25 percent of Oklahoma's total exports of merchandise. Exported goods from the state of Oklahoma supported an estimated 36,000 jobs. As a result, Oklahoma helped the nation increase exports-based jobs to 11.3 million, up 1.6 million since 2009.

Oklahoma continues to be a state that makes products. Our top five exports in 2014 were machinery, except electrical (\$2.4 billion); electrical machinery (\$832 million); aircraft, spacecraft and parts thereof (\$397 million); optic, photo, etc., medical or surgical instruments (\$277 million); and iron/steel products (\$269 million). While looking beyond the Oklahoma market can help a business grow, for many new exporters, knowing where to start is the biggest challenge. Providing assistance to our existing companies by helping them access international customers and promoting the state of Oklahoma's key industries in global markets remains an essential part of our economic development strategy. International investment and trade in Oklahoma is growing, continuing to spur economic growth and more opportunities for our citizens. We are committed to continuing that growth and building on our track record of success.

48.2K

FOREIGN COMPANIES
**EMPLOY MORE THAN
48,200 OKLAHOMANS**

\$6.3B⁺

OKLAHOMA EXPORTS TOTAL
**MORE THAN \$6.3 BILLION,
FOR THE STATE**

\$2.4B

MACHINERY ACCOUNTED FOR
**\$2.4 BILLION OF OKLAHOMA'S
TOTAL MERCHANDISE EXPORTS
IN 2014**

GLOBAL KEY SECTORS



Our state of success is a worldwide pathway to profit.

With our central location and an efficient and enviable supply chain system, Oklahoma's international economy continues to grow and thrive, offering increased opportunity for businesses looking to expand beyond their own borders.



ENERGY

Energy expertise in Oklahoma extends well beyond traditional markets.

From oil and gas to wind and unconventional resources, Oklahoma is leading the way with a diverse energy plan. We focus on fostering economic development, transitioning transportation and optimizing the existing energy.

GE is building its newest Global Research Oil & Gas Technology Center in Oklahoma City, a \$110 million investment that will create 125 high-tech jobs.



AEROSPACE

Aerospace is Oklahoma's past, present and future. Our central location has made us a hub for maintenance, repair and overhaul (MRO), in which our strong, skilled workforce rebuilds and repairs aircraft.

Belgian aerospace company ASCO made a \$60 million investment and brought 250 jobs to Stillwater, Oklahoma, in 2014.



INFORMATION & FINANCIAL SERVICES

Information and financial services companies looking to establish new centers are finding that Oklahoma offers what they need to run a profitable operation: lots of land, low operating and capital costs (i.e., cheap energy), and ample water.

Google opened a data center in Oklahoma in 2011 and has purchased an additional 1.4 million-square-foot facility in Pryor, Oklahoma.



AGRICULTURE & BIOSCIENCES

Agriculture and biosciences in Oklahoma are cultivating the future and advancing the abundance of tomorrow's harvest.

Cytovance Biologics announced it is investing \$22.5 million to expand in Oklahoma City.

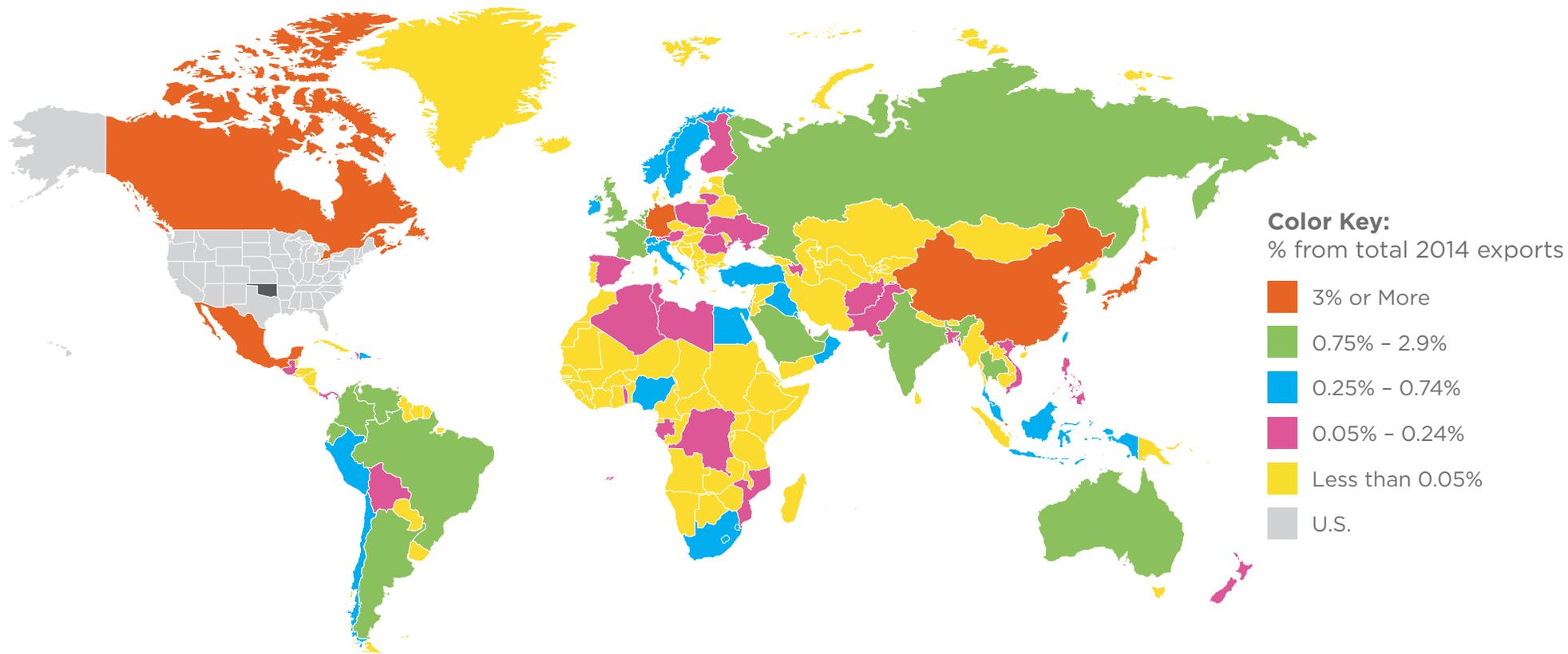


TRANSPORTATION & DISTRIBUTION

Transportation and Distribution is made easy thanks to Oklahoma's central location. With three inland ports, 140 public-use airports, 3,850 miles of rail and 12,000 miles of highway, Oklahoma is America's hub. Equidistant from New York, Los Angeles, Mexico City and Toronto, Oklahoma is ideally positioned to serve all U.S., NAFTA and world markets.

Macy's Inc. is constructing a new fulfillment center in Owasso, Oklahoma, investing \$170 million and creating 1,500 jobs.

OKLAHOMA'S EXPORTS GREW 40% FROM 2009 TO 2014



\$6,299,744,223

TOTAL 2014 OKLAHOMA EXPORTS

Values for Top-Exporting Markets*:

\$1,854,550,304

CANADA - 29.44%

\$610,322,201

MEXICO - 9.69%

\$309,531,874

JAPAN - 4.91%

\$272,212,644

CHINA - 4.32%

\$232,469,895

SINGAPORE - 3.69%

\$115M - \$212M

GERMANY - 3.35%

NETHERLANDS - 2.43%

BRAZIL - 2.2%

UNITED ARAB EMIRATES - 2.12%

AUSTRALIA - 2.12%

\$ 211,136,144

\$152,906,836

\$ 138,797,310

\$ 133,711,252

\$ 133,476,726

*Percentages Represent Market Share

LEADING OKLAHOMA EXPORTS TO **THE WORLD**

TOP 5 **OKLAHOMA EXPORTS:**

1. Machinery (except electrical)
2. Electrical Machinery
3. Aircraft, Spacecraft and Parts Thereof
4. Optic, Photo, etc., Medical or Surgical Instruments
5. Iron/Steel Products

OKLAHOMA **COMMODITY MARKET SHARE:**

MACHINERY (except electrical)	\$2,486,842,447	39%
ELECTRICAL MACHINERY	\$ 832,220,011	13%
AIRCRAFT, SPACECRAFT AND PARTS THEREOF	\$ 397,977,736	6%
OPTIC, PHOTO, ETC., MEDICAL OR SURGICAL INSTRUMENTS	\$ 277,516,874	4%
IRON/STEEL PRODUCTS	\$ 269,516,471	4%
TOTAL EXPORTS	\$6,299,744,223	

Small and medium-sized firms generated one-quarter (24.5 percent) of Oklahoma's total exports of merchandise.

- Source: Office of Trade and Economic Analysis, International Trade Administration, U.S. Department of Commerce



#4

OKLAHOMA RANKED **4TH IN THE U.S.** FOR LIQUID PUMPS, ELEVATORS AND PARTS

TOTAL EXPORT OF **\$491,635,362**

Choctaw Defense would like to thank the Oklahoma Department of Commerce for the opportunity to attend the 2014 Farnborough Air Show. The services and support enabled a smooth transition for a small business with limited resources. The attention to all the details of the show and internal communication were impeccable. As a result of our participation, our company has garnered several positive leads for our business.

Keith Briem

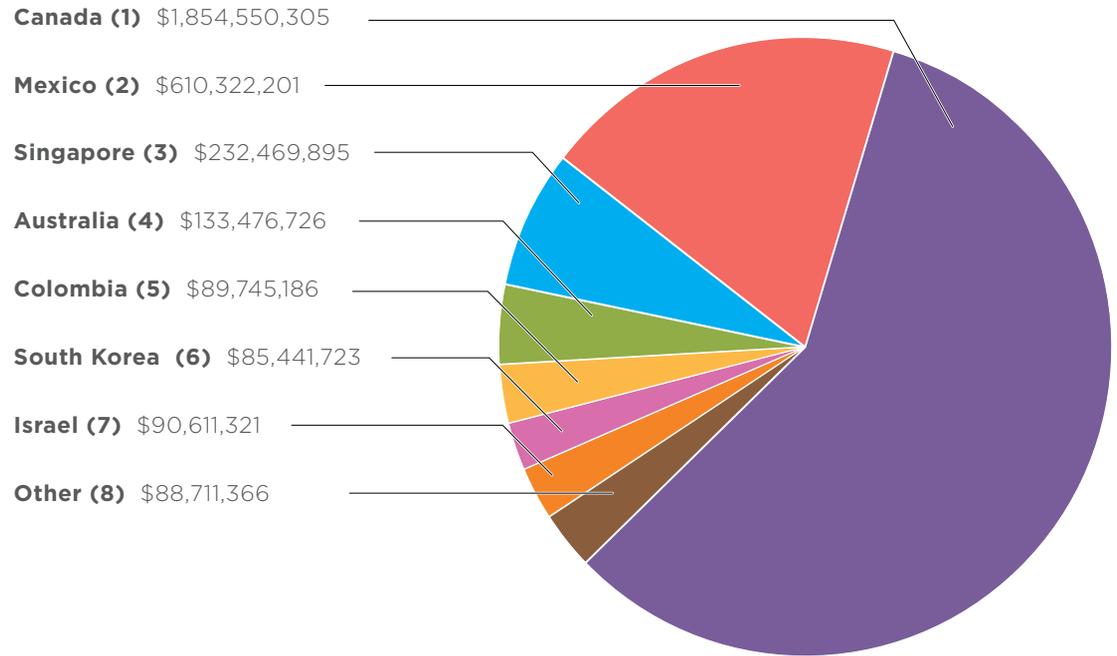
*Vice President,
Public Relations and
Government Affairs*



OKLAHOMA'S GLOBAL TRADE ADVANTAGE

The United States currently has free trade agreements with 20 countries, which accounted for \$3.3 billion (52 percent) of Oklahoma's exports in 2014. During the past 10 years, exports from Oklahoma to these markets grew by 31 percent, with sales to Mexico, Canada, Singapore, Colombia, Israel and South Korea showing the largest dollar growth during this period.

OKLAHOMA'S LARGEST **FREE TRADE AGREEMENT** MARKETS (2014)



OKLAHOMA'S INTERNATIONAL TRADE OFFICES

Oklahoma's global recruitment and trade offices offer international site location assistance for companies looking to expand into markets around the world. Our offices also offer trade and export assistance to Oklahoma companies looking to sell their products and services in the global marketplace.

SERVICES PROVIDED BY OKLAHOMA'S INTERNATIONAL TRADE OFFICES:

- International Trade Counseling/Marketing Entry Strategy Consulting
- International Regulations/Certifications/Standards Assistance
- International Agent/Distributor/Partner Searches
- Vetted International Trade Leads & Bidding Opportunities
- International Trade Show Assistance
- Comprehensive Market Research Reports
- International Due Diligence Requests
- Sourcing Assistance

INTERNATIONAL TRADE OFFICES LOCATED IN:

- Mexico
- Israel - Middle East Region
- China



GLOBAL EXPORTS

A Growth Opportunity for Oklahoma Companies

Oklahoma companies are known globally for the world-class quality of their **practical, innovative products and flexible, educated and cost-competitive labor force.**

This, together with the state's **business-friendly laws** and a **favorable U.S. dollar exchange rate in 2014**, allowed Oklahoma companies to compete very effectively in price-sensitive global markets.

There has never been a better time to leverage these advantages and significantly increase overseas activities and export success.

- There are 200 or more overseas markets in the world, and more than 99 percent of the world's population lives in export markets.
- Free-trade agreements have opened up markets in Australia, Chile, Singapore, Jordan, Israel, Canada, Mexico and Central America, among others, creating more opportunities for U.S. businesses.

So why restrict your sales to less than 1 percent of the world's markets?

More Oklahoma companies are discovering that taking their products to global markets improves their bottom line by diversifying sales and improving awareness of global trends and competition. Take Oklahoma's aircraft industry as an example. It increased its exports by 85.9 percent between 2009 and 2013.

So follow suit and enter the global market to further your profitable growth!

“The Tulsa Regional Chamber sees the importance of foreign direct investment (FDI) in today’s global marketplace as a necessary plan that benefits our state, region and city. The support the Chamber receives from the Oklahoma Department of Commerce allows the Tulsa Regional Chamber to enhance its reach and promote our region through strategic and financially rewarding ventures, events and site visits. The Tulsa Regional Chamber partners with the FDI Team so that international and foreign-based companies see Oklahoma as a central and cost-effective area for locating.”

Brien Thorstenberg
Senior Vice President,
Economic Development

TULSA REGIONAL CHAMBER

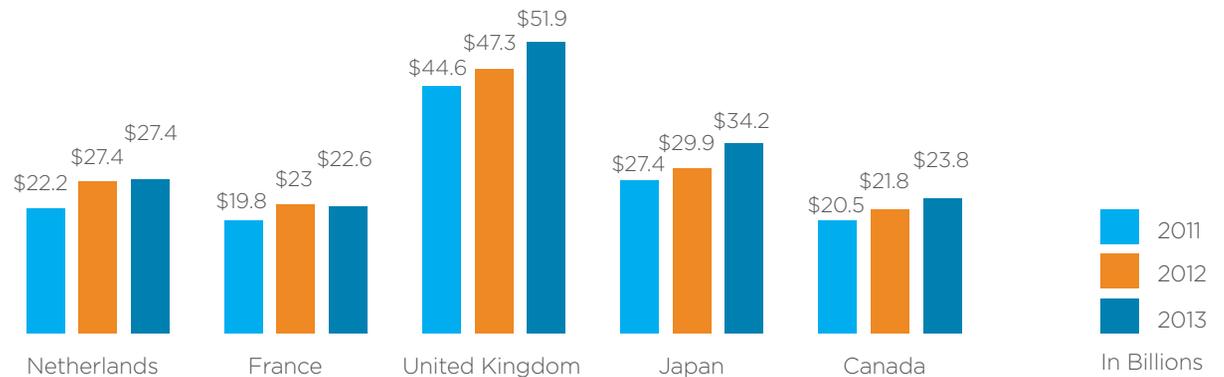
WHY IS FOREIGN DIRECT INVESTMENT (FDI) IMPORTANT?*

- Foreign-owned companies employ 48,200 Oklahoma workers. Major sources of investment into Oklahoma include the United Kingdom, Canada, France, Switzerland and Germany. (Source: Business Roundtable)
- More than 51 percent of jobs at U.S. subsidiaries in Oklahoma are in the manufacturing industry, accounting for 24,800 jobs. (Source: Organization for International Investment)
- The United States’ top investors are the Netherlands, France, the United Kingdom, Japan and Canada. (Source: Organization for International Investment)
- Oklahoma’s FDI inflows frequently are consistent with national FDI inflow trends.

LEADING COUNTRIES BY FOREIGN DIRECT INVESTMENT IN THE U.S. (2013)**

*Source: Bureau of Economic Analysis 2013

**Source: Organization for International Investment



Data are shown on a financial flow basis without current cost adjustment. Source: U.S. Bureau of Economic Analysis

INTERNATIONAL COMPANIES ESTABLISHED OR EXPANDED IN 2014

COMPANY	OKLAHOMA LOCATION	PARENT LOCATION
BAE Systems – Ground Services Division	Elgin	London, UNITED KINGDOM
BizJet International/Deutsche Lufthansa	Tulsa	Cologne, GERMANY
Cathedral Energy	Oklahoma City	Calgary, Alberta, CANADA
Holcim US Inc.	Ada	Jona, SWITZERLAND
IFS Coatings/CFS Group	Ardmore	Etobicoke, Ontario, CANADA
Linde Process Plants	Tulsa	Munich, GERMANY
Packers Plus Energy Services Inc.	Oklahoma City	Calgary, Alberta, CANADA
Sitel/Onex Corporation	Norman	Toronto, Ontario, CANADA

#2 SECOND FOR
WORKFORCE
DEVELOPMENT
IN THE SOUTH
CENTRAL REGION

- *Site Selection Magazine*

#1 BEST PLACE IN
THE WORLD
TO DO BUSINESS
IN OIL AND GAS

- *Global Petroleum Survey 2014*

#1 FIRST IN THE
NATION FOR
THE COST OF
DOING BUSINESS

- *CNBC, America's Top States
For Business 2014*

OKLAHOMA IN THE NEWS

“Oklahoma City, for example, has outpaced most other cities in growth since 2011, becoming the 12th-fastest-growing city last year. It has also won over a coveted demographic, young adults age 25 to 34, going from a net loss of millennials to a net gain.”

The New York Times

“Thanks in part to a strong energy sector, Oklahoma’s economy has been booming. Oklahoma currently ranks as the fourth biggest producer of natural gas and is the fifth biggest state for crude oil. Chesapeake Energy and Devon Energy are both fixtures in Oklahoma City. The business tax climate is one of the best in the country and employers also benefit from energy costs that are 26% below the national average. Oklahoma’s overall rank jumped four spots on an improved economic outlook.”

Forbes

“Oklahoma ranks as the most commercially attractive jurisdiction again this year ... ”



PUBLIC & PRIVATE PARTNERSHIPS

FDI PARTNERS

- Ardmore Development Authority
- Bartlesville Development Authority
- Broken Arrow Economic Development Corporation
- Duncan Area Economic Development Foundation
- Greater Oklahoma City Chamber
- Muskogee City-County Port Authority
- Oklahoma Business Roundtable
- OGE Energy Corp.
- Public Service Company of Oklahoma
- Tulsa Regional Chamber

PARTNERSHIP NETWORK

- Export-Import Bank of the United States (www.exim.gov)
- German American Chambers of Commerce South (www.gaccsouth.com)
- Oklahoma Manufacturing Alliance (www.okalliance.com)
- Overseas Private Investment Corporation (www.opic.gov)
- United States Department of Commerce (www.commerce.gov)
- U.S. Small Business Administration (www.sba.gov)



OKLAHOMA’S MARKETING & COMMUNICATIONS EFFORTS

In 2014, Oklahoma received substantial coverage, including articles in the following media outlets:

- ARD – German TV and Radio Broadcasting (ard.de) (Germany)
- Jyllands-Posten (Denmark)
- El Economista (Spain)
- Australian Broadcasting Corporation (Australia)
- Dagens Industri (Sweden)
- China Daily (China)
- BBC (World)
- ABC News (USA)
- Business Insider
- U.S. News & World Report
- CNBC.com
- Fox Business
- International Business Times
- The New York Times
- Bloomberg Business
- Business Facilities
- The Washington Times
- The Washington Post
- USA TODAY
- Slate
- Forbes

In Fiscal Year 2014, the Oklahoma Department of Commerce assisted 143 companies with their international business needs and worked on 26 FDI projects.

OKLAHOMA'S **WORLD-CLASS** **PROFESSIONAL SERVICES INCLUDE:**

Foreign Direct Investment

- International site location assistance
- Incentive analysis
- Cost of doing business benchmark reports
- Customized site visits
- Market entry strategy assistance
- Visa assistance
- State and local partnerships
- International supplier/partner identification
- Workforce recruitment and hiring
- Regulatory and permitting assistance
- Foreign entrepreneur support

Trade / Export

- International trade consulting
- Foreign market research
- Export assistance
- Trade mission and trade show assistance
- Export financing and international trade resource referrals
- International business seminars and workshops

The Global Recruitment and Trade Team, along with community and corporate partners, attends international trade shows and events in order to showcase the state's assets and increase trade opportunities. In 2014, Oklahoma participated in the following:

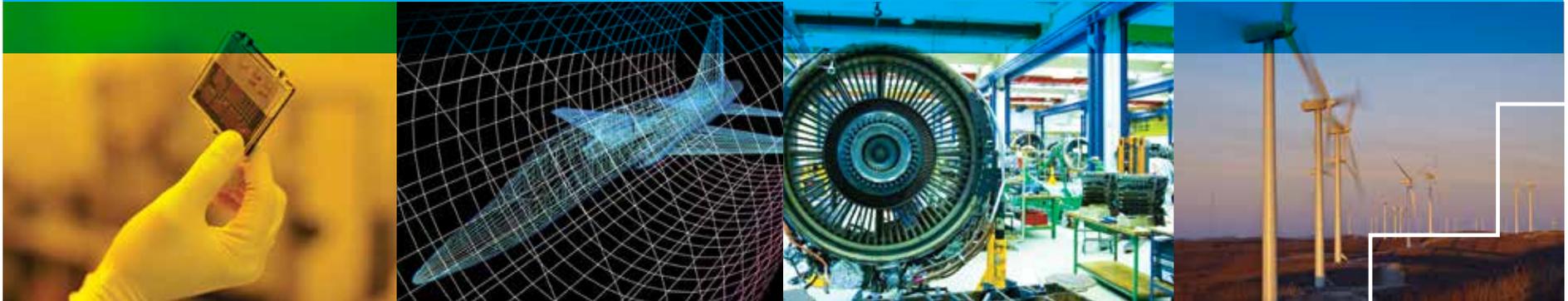
- Oklahoma World Trade Conference, Tulsa, Oklahoma (U.S. Department of Commerce)
- NASBITE International Conference, Memphis, Tennessee
- SIDO Annual Conference, Washington, D.C.
- Farnborough International Airshow, Farnborough, United Kingdom
- SelectUSA Investment Seminar, Lyon & Nantes, France
- Mexican Petroleum Congress, Mexico
- Ex-Im Bank & SBA Resources Workshop, Oklahoma
- ExporTech, Oklahoma

"I have been planning and attending trade shows for years, and typically, the preparation is tedious and time consuming. Thanks to the Oklahoma Department of Commerce and their Mexico trade office, this show was quite simple to plan and very affordable to attend. We sincerely appreciate ODOC's investment and the opportunity to showcase Smithco Engineering. The show was a great success for our company. The Mexico International Trade Office pre-arranged numerous B2B meetings at the show for us, which we would not have been able to do without them. In the end, many Mexican companies had their first exposure to Smithco, and the best news is that one of the companies we met with placed a \$4 million order with us in August 2014. In the end, the show provided great exposure to the Mexico market for Smithco Engineering, and since then, we have been receiving numerous request for quotes from Mexican companies."

Jim Matthews

*Marketing Information
Systems Coordinator*





Trade Data Provided by Global Trade Information Services 2015

OKLAHOMA

DEPARTMENT OF COMMERCE

OKLAHOMA CITY
900 N. Stiles Ave.
Oklahoma City, OK 73104
405-815-6552

OKcommerce.gov
Domestic: 800-879-6552
International: 001-405-815-5213

 twitter.com/OKcommerce
 facebook.com/OKcommerce
 linkedin.com/company/oklahoma-department-of-commerce
 youtube.com/OKcommerce