



VIEWS & VISIONS

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Exports: Good for Business, Good for Kentucky

Dave Adkisson, President and CEO
Kentucky Chamber of Commerce

Dave Adkisson is President and CEO of the Kentucky Chamber of Commerce, the largest business organization in Kentucky.

Mr. Adkisson is currently the Chairman of the board of the national Council of State Chambers. In addition, he serves on the board of directors of the U.S. Chamber of Commerce, the nation's largest business association, and he chairs the U.S. Chamber's education policy committee. He was recently honored by the Kentucky School Boards Association as its 2014 "Friend of Education."

He served as the 2010 Chairman of the board of the American Chamber of Commerce Executives, an association of more than 7,000 chamber of commerce executives across the country.

Mr. Adkisson, at age 34, was elected Mayor of Owensboro, Kentucky, and re-elected without opposition four years later. In 1999, he was recruited to Alabama to become President of the Birmingham Chamber of Commerce, where he served six years.

He has held several statewide leadership posts in Kentucky, including Chair of the Kentucky Advocates for Higher Education, and Co-Founder of Leadership Kentucky.

Mr. Adkisson is a graduate of Georgetown College and holds a master's degree from Harvard University.

With four consecutive years of record-breaking growth in exports, Kentucky is clearly maintaining a strong pace in international trade – and that's great news for the state's economy.

United States Secretary of Commerce Penny Pritzker made that point in announcing Kentucky was one of 16 states to achieve record export levels in 2013. Kentucky's 14.61 percent increase that year, to \$25.3 billion in exports, placed it second in the nation for export growth.

"These export numbers show that for more and more American companies, selling internationally is critical to growing their businesses and strengthening our economy," Pritzker said. "We know for a fact that for every \$1 billion in exports, nearly 5,000 jobs are supported across our nation. . . ."

In Kentucky, exports supported 125,000 jobs in 2013, according to the Cabinet for Economic Development, and generated \$1 billion in state and local taxes.

That last statistic illustrates why exports are particularly good for Kentucky, which is performing far beyond what might be expected of a state that ranks 26th in population.



Kentucky Chamber
Uniting Business. Advancing Kentucky.

Because of the Bluegrass State's relatively small population and relatively low income levels, Kentucky faces significant challenges in funding such essential areas as education – the key to sustained economic growth.

With exports generating \$11.3 billion in Kentucky's gross state product in 2013 and steadily increasing export rates in recent years, this area of Kentucky's economy is a growing contributor to the state's overall economic health. This reality illustrates the importance – and payoff – of giving priority attention to a key economic area. Since the Kentucky Export Initiative was established in December 2010 by the administration of Governor Steve Beshear, **Kentucky's exports have grown 25.9 percent**, compared to a national growth of 6.7 percent.

By way of comparison, here is how some of our competitor states have performed during the same period:

- Mississippi (13.1 percent increase)
- Ohio (8.9 percent increase)
- North Carolina (8.5 percent increase)
- Tennessee (8.0 percent increase)
- Indiana (5.8 percent increase)
- West Virginia (6.2 percent decrease)

This strong foundation of performance should encourage those Kentucky businesses that have

yet to enter the global market arena. And we do need for many more businesses to incorporate an international element into their operations.

The Economic Development Cabinet notes that, in 2012, a total of 4,569 companies exported from Kentucky locations; that's roughly five percent. It is exciting to imagine what the economic results would be if that number increased at the same rate at which Kentucky's overall exports are growing.

It is important to note that exporting is not just for large operations. In fact, 79.5 percent of the Kentucky businesses that export are small- and medium-sized companies, generating 26.3 percent of Kentucky's export dollars.

It is also worth noting that the products being shipped out of the country from Kentucky run the gamut, from fish to tug boats to plastics to distilled spirits (no surprise there).

In fact, aerospace products and parts represented the largest exports for Kentucky in 2013 and are continuing a strong performance this year. And while Canada, Mexico and the United Kingdom remain top export destinations for our products, Kentucky is also shipping to Myanmar, Kosovo, Malta and Congo.

In other words, there definitely are no limits – for products, markets or the potential for a positive economic return for individual Kentucky businesses and the state they call home. ▽



In 2013, the Kentucky Chamber sponsored a delegation of Kentucky business leaders to Dubai. Kentucky and Dubai have developed a strong relationship during the past two decades, as the emirates' royal family has emerged as a major force in the Thoroughbred industry. During the visit, Dave Adkisson (left), President and CEO of the Chamber, Governor Steve Beshear (center) and the delegation met with His Excellency Hamad Buamim, President and CEO of the Dubai Chamber of Commerce and Industry.



The Kentucky Chamber delegation toured the Zabeel Royal Stables, owned by the ruler of Dubai, Sheikh Mohammed bin Rashid Al Maktoum. More than 50 percent of the horses at the stables were bred in Kentucky. Sheikh Mohammed owns horse farms in the Lexington area, as well as the Fasig-Tipton Sales Pavilion in Lexington.



During the Dubai mission, Toyota Motor Manufacturing of Kentucky President Wil James was pleased to learn that security vehicles at the Royal Palace were Toyota SUVs. Toyota's Georgetown plant exports other Toyota models to ports in Dubai.